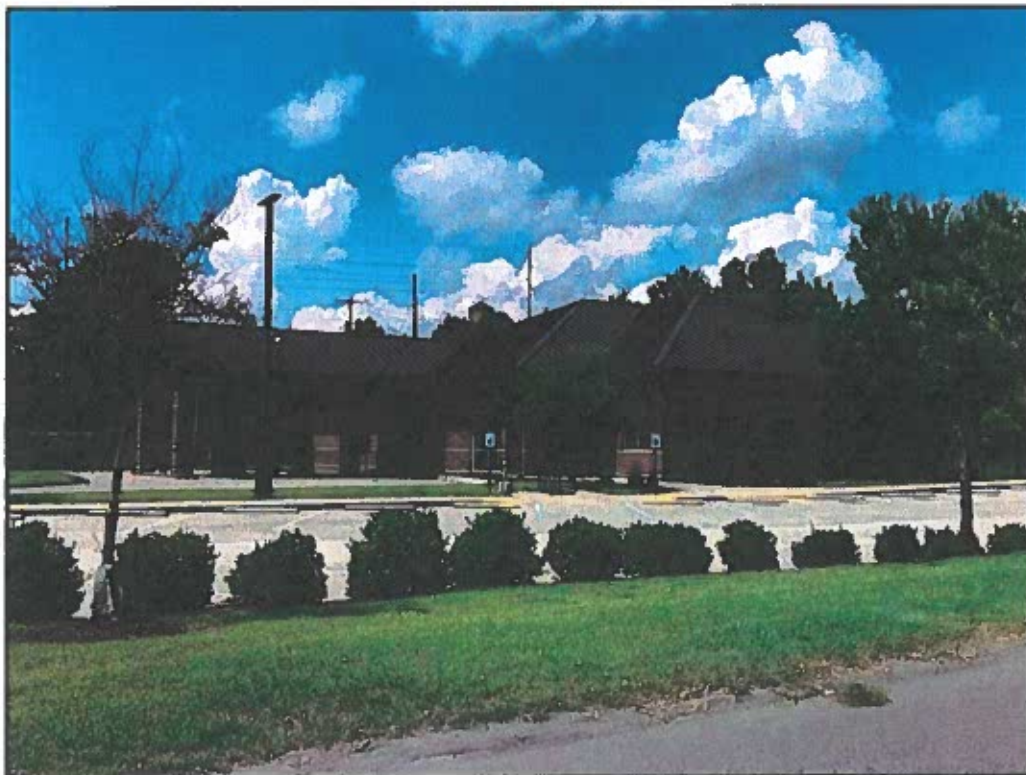


PUBLIC VERSION

**APPRAISAL REPORT OF
1213 FLORA STREET
3.15 ACRES (137,214 SF) OF LAND AND EXISTING IMPROVEMENTS
LOCATED ALONG THE NORTHWEST SIDE OF FLORA STREET,
COLUMBIA, RICHLAND COUNTY, SOUTH CAROLINA**



**AS OF
AUGUST 12, 2020**

FOR

**MR. ROBERT WRIGHT
APPRAISAL DEPARTMENT
DOMINION ENERGY
220 OPERATION WAY
CAYCE, SOUTH CAROLINA 29033**

BY

**GEORGE E. KNIGHT, JR., MAI
SOUTH CAROLINA STATE CERTIFIED GENERAL
REAL ESTATE APPRAISER NO. CG 1531**

AND

**JOSEPH B. WOODS SRA
SOUTH CAROLINA STATE CERTIFIED GENERAL
REAL ESTATE APPRAISER NO. CG 983**

PUBLIC VERSION



Real Estate Appraisers and Consultants, LLC

R·E·A·C*"We're on point with value"*

September 1, 2020

Mr. Robert Wright
 Appraisal Department
 Dominion Energy
 220 Operation Way
 Cayce, South Carolina 29033

Re: The appraisal of 3.15 acres (137,214 SF) of land and existing improvements located at 1213 Flora Street, Columbia, Richland County, South Carolina. Property now or formerly of South Carolina Electric and Gas Company n/k/a Dominion Energy, identified as TMS #R11301-04-24 and TMS #R11301-04-06.
 Our File No. 20-050

Dear Mr. Wright:

At your request, we have inspected and appraised the property located at 1213 Flora Street, Columbia, Richland County, South Carolina. The property is further identified in the Richland County Tax Map System as TMS #R11301-04-24 and TMS #R11301-04-06. The property contains 3.15 acres (137,214 SF) of land and is improved with a 1-story office building containing 7,335 square feet, along with the necessary site improvements to support the operation of the building.

The intended use of the appraisal is to aid the client in internal decisions concerning the possible sale of the property as of August 12, 2020. The client is Dominion Energy.

The results of our inspection and analyses are combined in this letter along with the attached appraisal report which are intended to comply with the minimum requirements, as set forth in Standards Rule 2-2(a) of the *Uniform Standards of Professional Practice* (USPAP), 2020-2021 Edition, published by The Appraisal Foundation.

The value estimates reported in this letter are based upon the facts and conclusions contained in the appraisal report that is attached and should be considered an integral part of this transmittal and incorporated herein by reference. Special attention is brought to the assumptions and limiting conditions contained in the report. No other special assumptions have been made in arriving at the market value estimates. This appraisal assignment was not made, nor was the appraisal rendered on the basis of requested minimum valuations or specific valuations.

The interest appraised is that of the fee simple interest. The property has been appraised as if free and clear from all liens and encroachments which may render the title to the subject property unmarketable.

This letter and the attached appraisal report have been prepared in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice, as approved and adopted by the Appraisal Standards Board of the Appraisal Foundation and the Appraisal Institute. The use of this letter and the attached report are subject to the requirements of the Appraisal Institute relating to their review by its duly authorized representatives.

PUBLIC VERSION

Mr. Robert Wright
 Appraisal Department
 Dominion Energy
 September 1, 2020
 Page 2

After applying the methods and techniques recommended by the Appraisal Institute, and after analyzing the data presented in the attached appraisal report, it is our opinion that the market value "as is" of the fee simple interest of the subject property, as of August 12, 2020, is:

[REDACTED]

The final value estimates are based upon the various considerations outlined in the definition of market value. The value estimates outlined within this report are based upon an estimated marketing time and exposure time of 12 months. It should be noted that exposure time occurs prior to the value estimate and the marketing time occurs after the value estimate.

Our valuation of the subject property considered the best information that was available at the time of our analysis and users of this appraisal should consider the appraisal may be affected by the scope of work. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Respectfully submitted,



George E. Knight, Jr., MAI
 S.C. State Certified General
 Real Estate Appraiser No. CG 1531



Joseph B. Woods, SRA
 S.C. State Certified General
 Real Estate Appraiser No. CG 983

GEKjr:JBW/scl
 Attachments:
 53-Page Appraisal Report
 Addenda

PUBLIC VERSION**20-050 1213 Flora Street****Table of Contents**

Certification	1
Summary of Major Conclusions	2
Assignment Elements.....	4
Scope of Work	6
Assignment Conditions.....	7
Neighborhood Data.....	11
Description of Site	21
Description of Improvements	25
Subject Photographs and Exhibits.....	27
Highest and Best Use	33
Sales Comparison Approach.....	37
Income Approach.....	45
Reconciliation and Final Value.....	52
Addenda.....	54
Subject Deeds	55
State Certification/License.....	63
Qualifications of George E. Knight, Jr., MAI.....	65
Qualifications of Joseph B. Woods, SRA	67

Certification

We, the undersigned appraisers, do hereby certify to the best of our knowledge and belief that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report and we have no personal interest with respect to the parties involved.

We have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined result, value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

We have made a personal inspection of the property that is the subject of this report unless otherwise noted below.

No one provided significant real property appraisal assistance to the persons signing this report.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

As of the date of this report, George E. Knight, Jr., MAI, and Joseph B. Woods, SRA, have completed the continuing education program for Designated Members of the Appraisal Institute.

SIGNED:

George E. Knight, Jr., MAI
South Carolina State Certified General
Real Estate Appraiser No. CG 1531
Non-Inspecting Appraiser

SIGNED:

Joseph B. Woods, SRA
South Carolina State Certified General
Real Estate Appraiser No. CG 983
Inspecting Appraiser

Summary of Major Conclusions

Identification of Property:	1213 Flora Street: A 1-story office building containing 7,335 square feet, along with the necessary site improvements to support the operation of the building.
Tax Map Identification:	TMS #R11301-04-24 and TMS #R11301-04-06
Site Description:	The site contains 3.15 acres or 137,214 square feet, is irregular in shape, with an 18.71 to 1 land to building ratio and located along the northwest side of Flora Street, Columbia, Richland County, South Carolina. The rear portion of the employee parking area is crossed, southwest to northeast, by a permanent City of Columbia Sanitary Sewer Easement containing approximately 0.13 acres.
Improvements:	The existing improvements consist of a 1-story office building containing 7,335 square feet, along with the necessary site improvements to support the operation of the building. The overall physical condition of the building is good. A copy of the Plat is contained in the Subject Photographs and Exhibits section of the report.
Age:	The improvements were constructed in 2013. The overall physical condition is good with the subject's actual age being approximately 7 years with an effective age estimated at approximately 3 years. The total economic life of the improvements is approximately 60 years with the remaining economic/useful life being approximately 57 years.
Property Rights Appraised:	Fee Simple
Date of Value Opinion:	August 12, 2020
Highest and Best Use As Vacant:	Commercial Development (Office), as allowed by zoning and as the market dictates
Highest and Best Use As Improved:	Interim office use with speculative holding of the excess land
Zoning (County of Richland):	M-1, Light Industrial District
Assessable Transfer of Interest:	The current tax law for the assessment of real estate has a provision that permits the tax assessor to adjust the market value for tax purposes to the assessable transfer of interest (contract sales price). For counties with assessed values considerably less than actual market values, this will result in higher real estate taxes. The subject property has a current market value of \$677,100 (aggregate). If and when the subject property is sold, the adjustment point for tax purposes would be that of the actual sales price and could result in a change of the property tax liability. This is further discussed in detail within the Tax Assessment Data section of this report.

PUBLIC VERSION

20-050 1213 Flora Street

Summary of Major Conclusions

Marketing / Exposure Time: 12 months

Market Value Opinions:

[REDACTED]

Hypothetical Conditions:

There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

There are no extraordinary assumptions for this appraisal..

Assignment Elements

Client and Intended User

The client is Dominion Energy. The intended user is Dominion Energy and/or affiliates. There are no other intended users. Possession of this report does not constitute an intended user.

Intended Use

The intended use of the appraisal is to aid the client in internal decisions concerning the possible sale of the property, as of August 12, 2020.

Appraisal Reporting

Based upon the client's intended use of the appraisal, we have prepared an appraisal report of the property. This appraisal report is intended to comply with the minimum requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report.

Real Property Interest Appraised

The interest appraised is that of fee simple ownership, subject to the existing easements and encroachments of record. The property has been appraised as if it is free and clear of all liens and encumbrances which may render the title to the subject property unmarketable.

Type and Definition of Value

Market value is defined in *The Dictionary of Real Estate Appraisal*, Sixth Edition, published by the Appraisal Institute, as "The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby: 1) buyer and seller are typically motivated; 2) both parties are well informed or well advised, and each acting in what they consider their best interest; 3) a reasonable time is allowed for exposure in the open market; 4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." (12 C.F.R. Part 34.42(f))

Effective Date

The effective date of the appraisal is August 12, 2020; the date of the report is September 1, 2020.

Subject of the Assignment and its Relevant Characteristics

The subject of the assignment is to provide an estimate of the market value of the fee simple interest of the subject property for the possible sale, as of August 12, 2020. The subject site, located at 1213 Flora Street, Columbia, Richland County, South Carolina, is comprised of two (2) parcels, containing approximately 3.15 acres (137,214 SF) of land, irregular in shape. The improvements consist of a 1-story office building containing 7,335 square feet of office space, along with the necessary site improvements to support the operation of the building. The improvements were constructed in 2013. The overall physical condition is good with the subject's actual age being approximately 7 years with an

PUBLIC VERSION**20-050 1213 Flora Street****Assignment Elements**

effective age estimated at approximately 3 years. The total economic life of the improvements is approximately 60 years with the remaining economic/useful life being approximately 57 years. The overall physical condition is good.

Ownership History

The property was conveyed to South Carolina Electric and Gas Company*, by Deed of M Lowenstein & Sons, Inc., dated October 24, 1975, and recorded on December 10, 1975, in the Office of the ROD for Richland County in Deed Book D 367 at Page 432, for the consideration of \$10.00; and by Deed of George G. Matthews, Sr. and Katherine E. Matthews, dated December 6, 1991, and recorded on December 6, 1991, in the Office of the ROD for Richland County in Deed Book D 1062 at page 825 for the consideration of \$225,000.

*South Carolina Electric and Gas Company n/k/a Dominion Energy

Listings and Contracts of Sale

Research of the applicable public records, private data services and an interview of the current owner, revealed that the subject property is not currently under current agreement or option and is not offered for sale on the open market. Additionally, according to these sources, the subject property has not been transferred during the past three (3) years.

Marketing Time / Exposure Time

The final value estimate is based upon the various considerations outlined in the definition of market value. The value estimate outlined within this report is based upon an estimated marketing time and exposure time of 12 months. It should be noted that exposure time occurs prior to the value estimate and the marketing time occurs after the value estimate.

Scope of Work

As a part of this appraisal, we made a number of independent investigations and analyses. We relied upon data retained in our office files which we update regularly. The investigations undertaken and the major data sources used are outlined as follows. We reviewed the local economic and demographic trends for Richland County on the *Site to Do Business* website. We studied the available market data and economic trends of the subject area and neighborhood. We inspected the subject neighborhood and the subject property. We examined the records of Richland County concerning the zoning ordinance and the available public utilities in the area. We examined the records of Richland County Tax Assessor's Office and reviewed the method of taxation and the specific tax data including assessment percentages and millage rates applicable to the subject property. We examined the public records for deeds and plats relating to the subject property.

We obtained improved sales and lease information for comparable office buildings in the Columbia MSA. Sources utilized to verify the sales analyzed include a portion or all of the following: public records, aerial photographs, brokers, owners, third parties, real estate appraisal files and inspections. We have the competency to complete the assignment based upon our experience and training including the completion of previous assignments involving similar properties.

The intended use of this appraisal is to provide an estimate of the market value of the fee simple interest of the subject property for the possible sale, as described in this report. Conventional appraisal theory dictates that market value may be determined by the use of one of more of the three accepted approaches to value. These approaches to value are the cost approach, the sales comparison approach and the income capitalization approach.

The cost approach is a set of procedures by which an indication of the value of the subject is obtained by estimating the depreciated value of the subject improvements, to which is added the value of the subject site, valued at its highest and best use.

The sales comparison approach is a set of procedures by which an indication of the value of the subject property is estimated by comparing it to similar properties which have sold recently. Appropriate units of comparison are used and adjustments, based upon various elements of comparison, are made to the sales.

The income capitalization approach is a set of procedures by which an indication of the value of the subject is estimated based upon converting anticipated income into value. The conversion of income into value is accomplished by capitalizing (discounting) a single year's income or several year's income into value.

The subject property is currently improved with a 1-story office building containing a total of 7,335 square feet, along with the necessary site improvements to support the operation of the building. The subject site is not maximally improved and contains excess land that will be further discussed within the **Highest and Best Use** section of this report. In forming an opinion of the "as is" value of the subject property as improved, the sales comparison approach to value and the income approach to value will be used. The information upon which these approaches to value are based is from the market and is the best information available for the application of the approaches to value and will lead to a credible value conclusion. The cost approach to value has been omitted from this report as this is not a valuation method relied upon by investors. This exclusion will not lead to a misleading report.

Assignment Conditions

Assumptions and Limiting Conditions

The legal description, or other property identification furnished by others, is assumed to be correct, and no responsibility is assumed for matters legal in nature. No opinion is rendered as to title, which is assumed to be marketable. Any existing liens or encumbrances have been disregarded, and the property is appraised as if free and clear, unless otherwise noted in the body of the report.

No current survey of the property was made, and the improvements are assumed to be within the lot lines, in accordance with local building codes. Drawings, sketches, or maps are included in this report for the sole purpose of assisting the reader in visualizing the property. Unless otherwise indicated, they are not engineering drawings.

There is a full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in this appraisal report.

All applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.

All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

In cases of proposed projects, all permits and governmental regulations are assumed to be secured and/or complied with.

All major improvements on the property being appraised appear to be structurally sound, unless otherwise noted within the body of the appraisal. However, the appraiser is not an engineer and has not been instructed to secure a qualified engineer's certification of the structural soundness of the said improvements or functional utility of major appliances or mechanical failures which would not be reasonably obvious in the scope of an appraiser's normal inspection of the specified improvements, or to a prudent purchaser.

Certain information used in this report has been furnished by others. The sources and the information are considered to be reliable, but cannot be guaranteed.

The subject property is assumed to be under responsible ownership and reasonable and competent management.

No responsibility is assumed for service or operating inspections of equipment in the building covered by the appraisal report.

No responsibility is assumed for an inspection of weather tightness of the exterior or interior surfaces of this building.

No tests of material or equipment were made.

Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the above conditions. Appraiser liability extends only to stated client, not subsequent parties or users of any type, and the total liability of appraiser and firm is limited to the amount of the fee received by appraiser. This appraisal report is an economic study for value; it is not an engineering, structural, mechanical, feasibility or architectural study.

The appraiser is not required to give testimony or to appear in court with reference to this property by reason of this report unless prior arrangements have been made.

Distribution of the value reported between land and buildings applies only under the existing program of utilization, and separate valuations for land and improvements must not be used in conjunction with any report and are invalid if so used.

PUBLIC VERSION**20-050 1213 Flora Street****Assignment Conditions**

Possession of this report, or a copy thereof, does not carry with it the right of publication, either in whole or in part, nor may it be used for any purpose by any except the party for whom it was prepared without the consent of the appraiser, and then only with proper qualifications.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news media, sales, or other media without written consent and approval of the author, particularly as to value conclusions, the identity of the appraiser or firm with which he is connected, or by reference to any professional societies or designations conferred upon the appraiser.

Users of this appraisal report are directed to obtain the services of a professional engineer to determine the presence and/or absence of hazardous materials including, but not limited to: asbestos and/or radon gas and/or urea formaldehyde foam insulation, as well as the structural integrity of the building and the present condition of its mechanical systems, since the appraiser(s) has made no such inspection expressly or implied and accept no responsibility. The presence of such substances or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value.

This appraisal is specifically contingent upon, and the appraiser's understanding that, there has been, or will be, a removal of any underground storage tanks which exist or which may have existed on the subject site; also, that there has been no contamination of soils. If contamination has occurred, the contaminated soils and the source of contamination will be removed and the contamination remedied on the subject site in accordance with all federal and state regulations.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. Noncompliance with this Act may have a negative effect upon the property. Since a compliance survey is outside the realm of expertise of a real estate appraiser, a possible noncompliance with the requirement of ADA was not considered in this report. An expert in this field should be consulted.

Extraordinary Assumptions – An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. (USPAP, 2020-2021 ed.)

There are no extraordinary assumptions for this appraisal..

Hypothetical Conditions – A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. (USPAP, 2020-2021 ed.)

There are no hypothetical conditions for this appraisal.

Jurisdictional Exceptions – An assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP. (USPAP, 2020-2021 ed.)

No jurisdictional exceptions have been taken in the appraisal of the subject.

Other Conditions that Affect the Scope of Work

There are no specific conditions that affect the scope of work that have not been outlined within the body of this report.

Signature(s) / Electronic Signature(s)

The signature(s) contained within this report are personalized evidence indicating authentication of the work performed by the appraiser(s) and the acceptance of the responsibility for content, analyses, and the conclusions in the report. The signature(s) were applied by the original appraiser and represent the facts, opinions and conclusions found in the report. The appraiser applied signature(s) electronically using a password encrypted method. Hence, the signature(s) have more safeguards and carry the same validity as the individual's hand applied signature.

Glossary of Appraisal Terms

Appraisal¹: (Noun) the act or process of developing an opinion of value; an opinion of value. (Adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.)

Appraiser's Peers: Other appraisers who have expertise and competency in a similar type assignment.

Assignment: A valuation service that is provided by an appraiser as a consequence of an agreement with a client.

Client²: The party or parties (i.e., individual, group, or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure; including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple interest in the subject property to reflect the value of the property interest being appraised.

Credible: Worthy of belief.

Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams as well as the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Easement: The right to use another's land for a stated purpose.

Exposure Time³: An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use: The reasonably probable use property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Income Approach (income capitalization approach): Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.

Intended Use: The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.

¹ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

² Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

³ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

PUBLIC VERSION

20-050 1213 Flora Street

Assignment Conditions

Intended User: The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.

Leased Fee (leased fee interest): The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expires.

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Report⁴: Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.

Scope of Work: The type and extent of research and analyses in an appraisal or appraisal review assignment.

SOURCE: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

⁴ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition

PUBLIC VERSION

20-050 1213 Flora Street

Neighborhood Data

Neighborhood Data

Area Description & Boundaries

The subject property is located in the City of Columbia within Richland County. This area has adequate access to Interstates 20, 26 and 77. The most predominant features in the immediate neighborhood is the downtown Columbia Central Business District, The University of South Carolina and Williams Brice Stadium, home of The University of South Carolina football team. Most recent new development in this area is that of student housing for the University students. Access to shopping, schools and employment centers is good.

Area & Property Use Characteristics

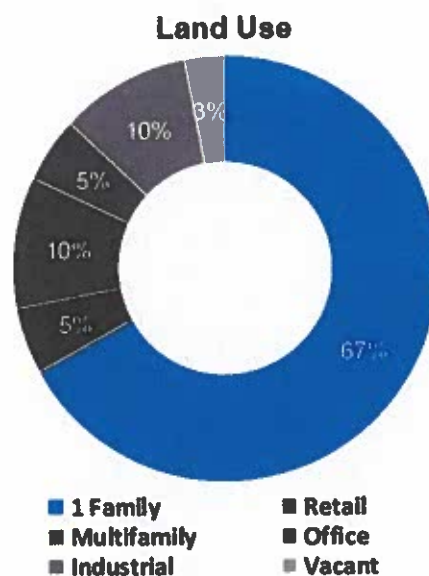
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	Up	Stbl	Dn
Build Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Built Up <input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow	Personal Income Level	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Vacancy Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Land Use Trends

Present Land Use	Supply/Demand			Vacancy
	Under	In Bal	Over	
67% 1 Family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-5%
5% Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-5%
10% Multifamily	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-5%
5% Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-5%
10% Industrial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0-5%
3% Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
100%				

Change in Land Use Likely	<input type="checkbox"/>
Not Likely	<input type="checkbox"/>
Taking Place	<input checked="" type="checkbox"/>

The uses in the area are residential, retail, multifamily, office, industrial and service uses.



Utilities

Utilities in the subject neighborhood consist of water and sewer provided by the City of Columbia; electricity provided by Dominion Energy; natural gas, when available, is provided by Dominion Energy; telephone and cable services provided by a number of independent carriers. All available public utilities appear to be in adequate supply for development in the area.

Government

Governmental considerations generally include zoning and building codes, real estate tax burdens, special assessments for fire and police protection, schools, and other governmental services. The properties located within the neighborhood are within the City of Columbia and the County of Richland and are subject to the County of Richland Zoning Ordinance. Building improvements are under the jurisdiction of the City of Columbia and the County of Richland. The combination of the City of Columbia and the County of Richland having jurisdiction in this area is due to the City of Columbia and the County of Richland line passing through the subject property.

The County of Richland is the taxing authority for real estate within the subject neighborhood. Assessments and millage rates are comparable to other similar neighborhoods. It is expected that millage rates will continue to increase based on historical figures with no additional special assessments anticipated. The millage rates should not create an adverse effect on the market value of properties in the neighborhood due to real estate tax burden.

Social Considerations

The Columbia MSA has a well-educated population base which has seen a steady increase in population. In addition, the available education within the area provides the area with a well-educated workforce. The majority of land uses in the immediate area are for office uses that rely on this well-educated population base for the workforce. The stability of the neighborhood indicates a positive social environment which should allow the neighborhood to remain in a stable period.

As outlined, the neighborhood is characterized by uses. The commercial properties in the immediate neighborhood are primarily oriented to University use. The neighborhood has some vacant land for sale. If demand for land is great enough, improved properties will eventually be demolished for redevelopment at a more intense use.

The neighborhood in which the subject is located has interstate and local downtown access. The neighborhood is considered urban and is within close proximity to the downtown Columbia business district and the University of South Carolina.

The area within a 1, 3, and 5 mile radii of the subject property is growing at a moderate pace. As outline in the neighborhood section the primary uses include residential, retail, multifamily, office industrial and service uses. The commercial properties are primarily oriented to the intersections and major traffic corridors within the immediate neighborhood, and the uses on 1213 Flora Street are office/service uses.

Columbia Office Market

According to the *Colliers Keenan 2nd Quarter 2020, Office Research & Forecast Report*, summary the Columbia CBD area for Class B space has a total vacancy rate of 12.57% and an average asking lease rate of \$21.27/SF. The Suburban Submarkets for Class B space has a total vacancy rate of 8.01% and an average asking lease rate of \$16.87/SF. According this report, the total Columbia Market has a vacancy rate of 9.24% and an average asking lease rate of \$18.21/SF.

Research & Forecast Report

COLUMBIA, SC | OFFICE
Q2 2020Colliers
INTERNATIONAL

Accelerating Success

What will be the impact to the Columbia office market from COVID-19?

Crystal Baker Research Coordinator | South Carolina

Key Takeaways

- Despite negative absorption during the COVID-19 quarantine period, Columbia office vacancy rate still remains low at 9.24%. When pandemic restrictions are relaxed or lifted, market activity is expected to return over the next 12 months.
- Less populated tertiary markets, like Columbia, may see less post-Coronavirus changes than major and secondary markets.

Columbia changes are minimal

The COVID-19 pandemic has altered the operations of almost every type of business throughout the world. Major and secondary markets are likely to change the most, while tertiary markets, such as Columbia, may survive with limited overall changes. For several months quarantine restrictions forced businesses to: shut down, switch to a remote-working environment or minimize operations using essential employees only. Now that restrictions are being relaxed or lifted, the degree to which various markets are affected based on size and population density is becoming apparent.

During a regular weekly commute, employees within major and secondary markets rely heavily on mass transit creating millions of daily interactions. It was, and still is, necessary to remove this aspect for employees due to the Coronavirus, and switch to a remote work environment to eliminate the high-level of social interaction. Businesses unable to accommodate employees working remotely are now either looking to expand their footprint, or working at half-capacity by either alternating work days or using rotating shifts in order to abide by social distancing standards within densely-populated offices.

Conversely, changes within smaller markets may be unremarkable because the population is less dense. The majority of Columbia employees are not reliant on mass transit for their daily commute—they drive alone to and from work. In addition, some companies are choosing to continue working in a remote environment for the time being. However, most will be transitioning back to an office

Market Indicators

Relative to prior period

Q2 2020

Q3 2020

VACANCY

↑

↓

NET ABSORPTION

—

+

CONSTRUCTION

↔

↔

RENTAL RATE*

↑

↑

Note: Construction is the change in Under Construction

*Projected

*Rent forecast is for metro-wide rents

Summary Statistics

Q2 2020 Columbia Office Market

	Market	CBD	Suburban
Vacancy Rate	9.24%	8.68%	9.53%
Change from Q2 2019 (basis points)	-133	-472	-131
Absorption (Thousand Square Feet)	-16.25	-7.16	-9.09
New Construction (Thousand Square Feet)	0	0	0
Under Construction (Thousand Square Feet)	78.50	0	78.50

*Note: "New construction" denotes delivered buildings

Asking Rents*

Full-Service Per Square Foot Per Year

	Market	CBD	Suburban
Overall	\$18.21	\$21.75	\$16.60
Change from Q2 2019	+4.00%	+3.62%	+3.11%
Class A	\$21.48	\$22.47	\$20.08
Change from Q2 2019	+0.70%	+0.85%	-0.38%
Class B	\$18.42	\$21.27	\$16.87
Change from Q2 2019	+4.07%	+5.05%	+2.87%

*Asking rents are averaged weighted rental rates of the remaining available office space

In the midst of the COVID-19 outbreak, information and data is emerging at a quick and uneven rate. The information contained herein has been obtained from sources deemed reliable at the time the report was written. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.

setting with social distancing safety precautions and rules in place to limit visitors and interaction. Columbia tenants interested in footprint expansion due to COVID-19 are lacking options attributable to low vacancy rates and the absence of new office construction. Therefore, many tenants have, or will likely, renew leases at their current location. Other than new rules and social distancing, Columbia office tenants are likely to return to business-as-usual in the next few quarters seeing few other changes caused by COVID-19. Some, however, may choose to seek alternative properties where the tenant controls the environment. A surge in leasing and purchasing direct-entry spaces and free-standing buildings is expected.

Market Overview

Overall Columbia Market

The Columbia office market is comprised of approximately 16.4 million square feet. The Columbia office market posted a negative absorption of 16,248 square feet due to negative Class B office activity. Together Class A and Class C office space absorbed 37,439 square feet. As a result of the overall negative absorption, the overall market vacancy rate rose from 9.14% last quarter to 9.24% during the second quarter of this year. Conversely, Class A market vacancy dropped from 9.46% during the first quarter of 2020 to 8.69% this quarter. The overall market weighted full service rental rates averaged \$18.21 per square foot.

Columbia Central Business District (CBD)

The Columbia central business district consists of 5.56 million square feet. New construction activity is virtually nonexistent. During the second quarter of 2020 downtown offices posted a negative absorption of 7,160 square feet. Class A office space absorbed 11,661 square feet, while Class B and C posted negative absorption. Due to the negative absorption, the central business district vacancy rate increased from 8.55% last quarter to 8.68% during the second quarter of 2020. The overall average full service weighted rental rate in downtown offices rose from \$20.36 per square foot during the first quarter of 2020 to \$21.73 per square foot this quarter.

Suburban

The Columbia suburban markets consist of 10.83 million square feet of office properties. During the second quarter of 2020, the Columbia suburban markets posted a negative absorption of 9,088 square feet; however, Class A office space absorbed 21,382 square feet and Class C offices absorbed 10,698 square feet. Second quarter negative absorption pushed the suburban vacancy rate up slightly from 9.44% last quarter to 9.53% during the second quarter of this year. The overall suburban office full service weighted rental rates averaged \$16.60 per square foot this quarter. The rental rate averages ranged from \$20.50 per square foot in Northeast Class B suburban offices to \$11.00 per square foot in Lexington Class B space.

Significant Transactions

According to Costar, during the second quarter of 2020 there were approximately 13 office sale transactions within the Columbia market. There were 29 executed office leases or renewals during this quarter.

Sales

- ▶ Park West Realty purchased the 49,450-square-foot office building located at 151 Westpark Boulevard within the St. Andrews submarket for \$313 million.
- ▶ Nolon Holdings, LLC purchased a 20,822-square-foot, two-property medical office portfolio for \$148 million.

Market Forecast

While smaller markets like Columbia may see modest changes in a post Coronavirus environment, there will surely be an increase in rental rates. In order for building owners to balance the cost of increased safety precautions and additional janitorial services, office operating expenses will increase pushing rental rates upward in the next few quarters. Minimal market changes and rising rental rates within the Columbia market may present an opportunity for new Columbia construction within the coming years. Also, increased interest from major and secondary market tenants looking to relocate to less dense cities will make Columbia an attractive option in the future.

Commercial Real Estate Growth Cycle: Where the market stands and where it is going



Q2 2020 Office Market Summary Statistics								
MARKET	PERIOD	SQ. FEET	ADDITIONAL	RENTAL VALUE	TOTAL VALUE	TOTAL VALUE	NET ABSORPTION	RENTAL VALUE
CAYCE/WEST COLUMBIA								
Class A	4	665,024	5,350	-	5,350	0.80%	2,000	\$19.00
Class B	5	147,588	1,648	3,142	4,790	3.25%	-	\$18.00
Class C	19	770,178	25,040	-	24,040	3.25%	-8,680	\$18.00
Cayce/West Columbia Total	28	1,582,790	32,038	3,142	38,180	2.22%	-6,680	\$18.33
EAST COLUMBIA								
Class A	-	-	-	-	-	-	-	-
Class B	3	317,176	-	-	-	0.00%	-	-
Class C	23	346,027	7,378	-	7,378	2.13%	-	\$17.89
East Columbia Total	26	663,203	7,378	-	7,378	1.11%	-	\$17.89
FOREST ACRES								
Class A	-	-	-	-	-	-	-	-
Class B	6	321,440	49,089	-	49,089	14.96%	-3,400	\$16.84
Class C	23	839,707	139,922	-	139,922	16.66%	-5,920	\$15.10
Forest Acres Total	29	1,161,147	189,011	-	189,011	16.19%	-9,320	\$15.86
IRMO/CHAPIN								
Class A	-	-	-	-	-	-	-	-
Class B	3	77,009	-	-	-	0.00%	-	-
Class C	11	155,701	-	-	-	0.00%	9,411	-
Irmo/Chapin Total	14	232,710	-	-	-	0.00%	9,411	-
LEXINGTON								
Class A	3	167,028	-	-	-	0.00%	2,367	-
Class B	8	170,040	19,294	-	19,294	11.35%	18,639	\$11.00
Class C	9	136,015	-	-	-	0.00%	-	-
Lexington Total	20	473,083	19,294	-	19,294	4.08%	21,006	\$11.00
NORTHEAST COLUMBIA								
Class A	11	643,287	56,506	-	56,506	8.78%	13,439	\$19.98
Class B	19	1,817,479	160,748	19,857	180,605	9.94%	-10,520	\$17.33
Class C	15	485,925	149,290	-	149,290	30.72%	-22,884	\$15.71
Northeast Columbia Total	45	2,946,691	366,544	19,857	386,401	13.11%	-19,965	\$17.08
ST. ANDREWS								
Class A	7	513,562	131,999	4,894	136,893	26.66%	3,581	\$20.30
Class B	27	1,829,640	117,926	4,213	122,139	6.69%	-45,941	\$17.42
Class C	37	1,431,767	136,898	-	136,898	9.56%	38,771	\$15.56
St. Andrews Total	71	3,774,969	385,823	9,107	395,930	10.49%	-3,589	\$17.03
SUBURBAN SUBMARKETS								
Class A	25	1,988,901	193,855	4,894	198,749	9.99%	21,382	\$20.08
Class B	71	4,680,372	347,705	27,212	374,917	8.01%	-41,168	\$16.87
Class C	137	4,165,320	458,528	-	458,528	11.01%	10,698	\$15.54
Suburban Submarkets Total	233	10,834,593	1,000,088	32,106	1,032,194	9.53%	-9,088	\$16.60
COLUMBIA CBD SUBMARKET								
Class A	13	2,305,367	160,543	13,758	174,301	7.56%	11,661	\$22.47
Class B	26	1,818,300	220,622	7,872	228,494	12.57%	-12,519	\$21.27
Class C	57	1,437,556	79,987	-	79,987	5.56%	-6,302	\$21.30
CBD Submarket Total	96	5,561,223	461,152	21,630	482,782	8.60%	-7,160	\$21.75
OFFICE MARKET								
Class A	38	4,294,268	354,398	18,652	373,050	8.69%	33,043	\$21.48
Class B	97	6,498,672	568,327	35,084	603,411	9.29%	-53,687	\$18.40
Class C	194	5,602,876	538,515	-	538,515	9.61%	4,396	\$16.27
Market Totals	329	16,395,816	1,461,240	83,736	1,514,976	9.24%	-16,248	\$18.21

Source: Colliers International, CoStar

Site Map

1213 Flora St, Columbia, South Carolina, 29201
Rings: 1, 3, 5 mile radii

Prepared by Esri

Latitude: 33.58538

Longitude: -81.02661

August 07, 2020

©2020 Esri

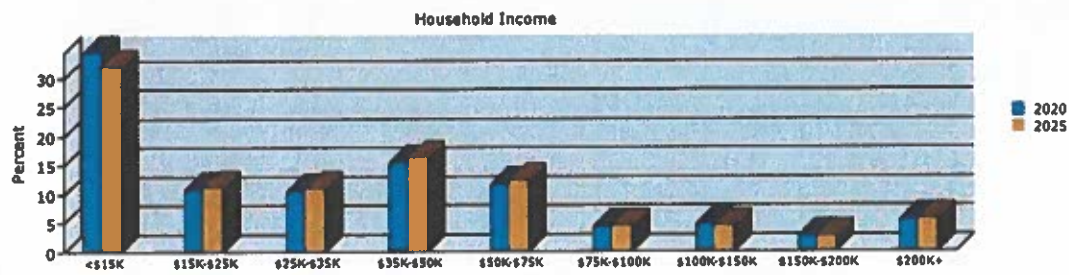
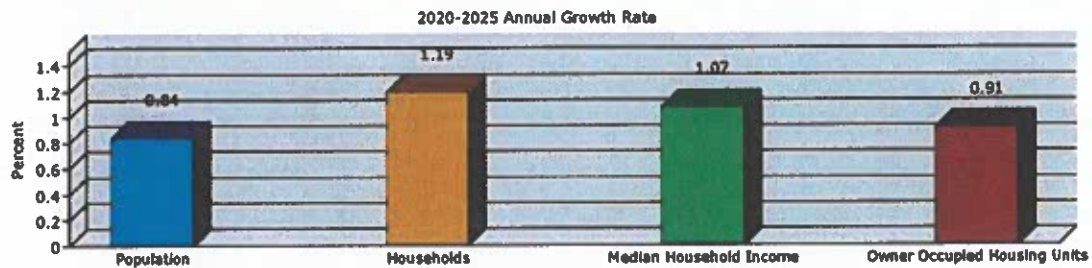
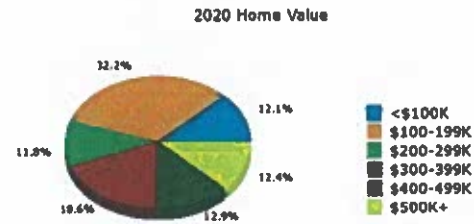
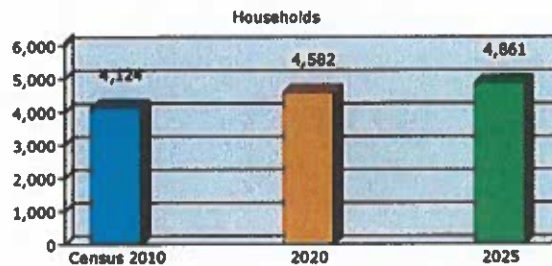
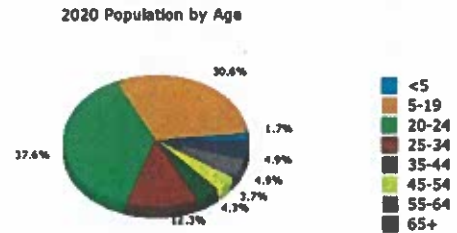
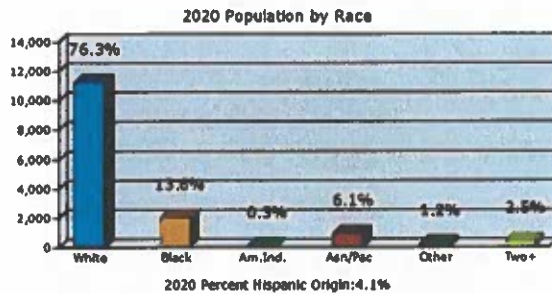
Page: 1 of 1



Graphic Profile

1213 Flora St, Columbia, South Carolina, 29201
Ring: 1 mile radius

Prepared by Esri
Latitude: 33.98538
Longitude: -81.02661



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

August 07, 2020

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Page 1 of 1



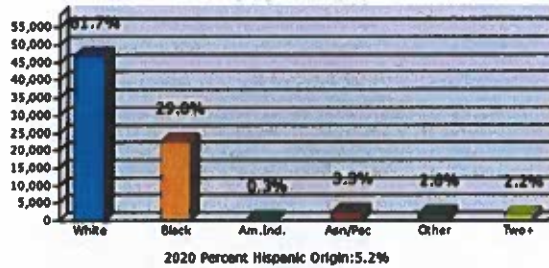
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Graphic Profile

1213 Flora St, Columbia, South Carolina, 29201
Ring: 3 mile radius

Prepared by Esri
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Longitude: -81.02661

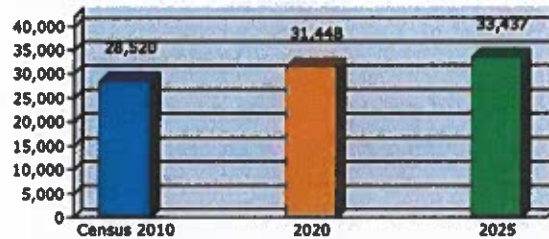
2020 Population by Race



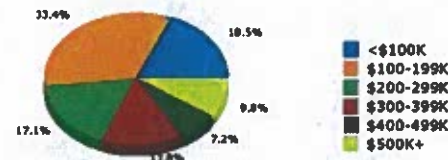
2020 Population by Age



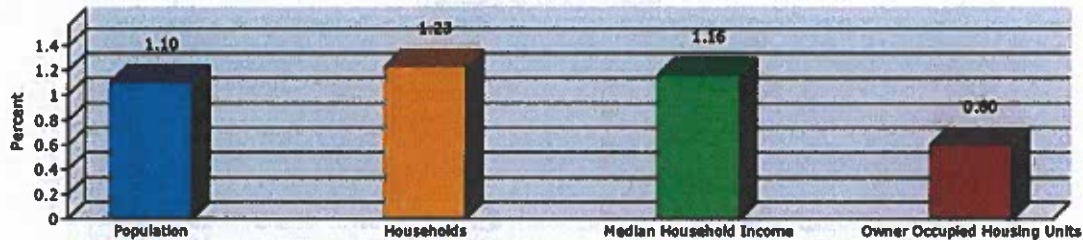
Households



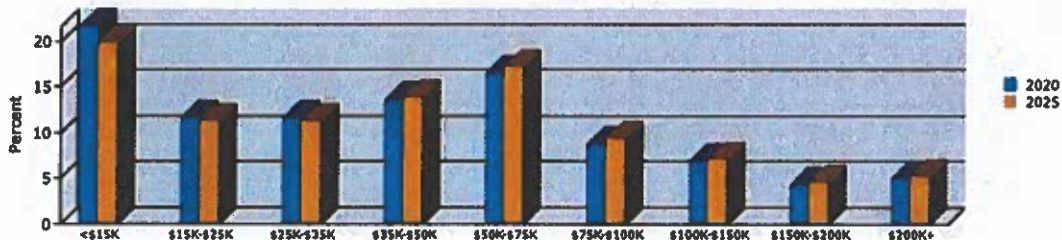
2020 Home Value



2020-2025 Annual Growth Rate



Household Income

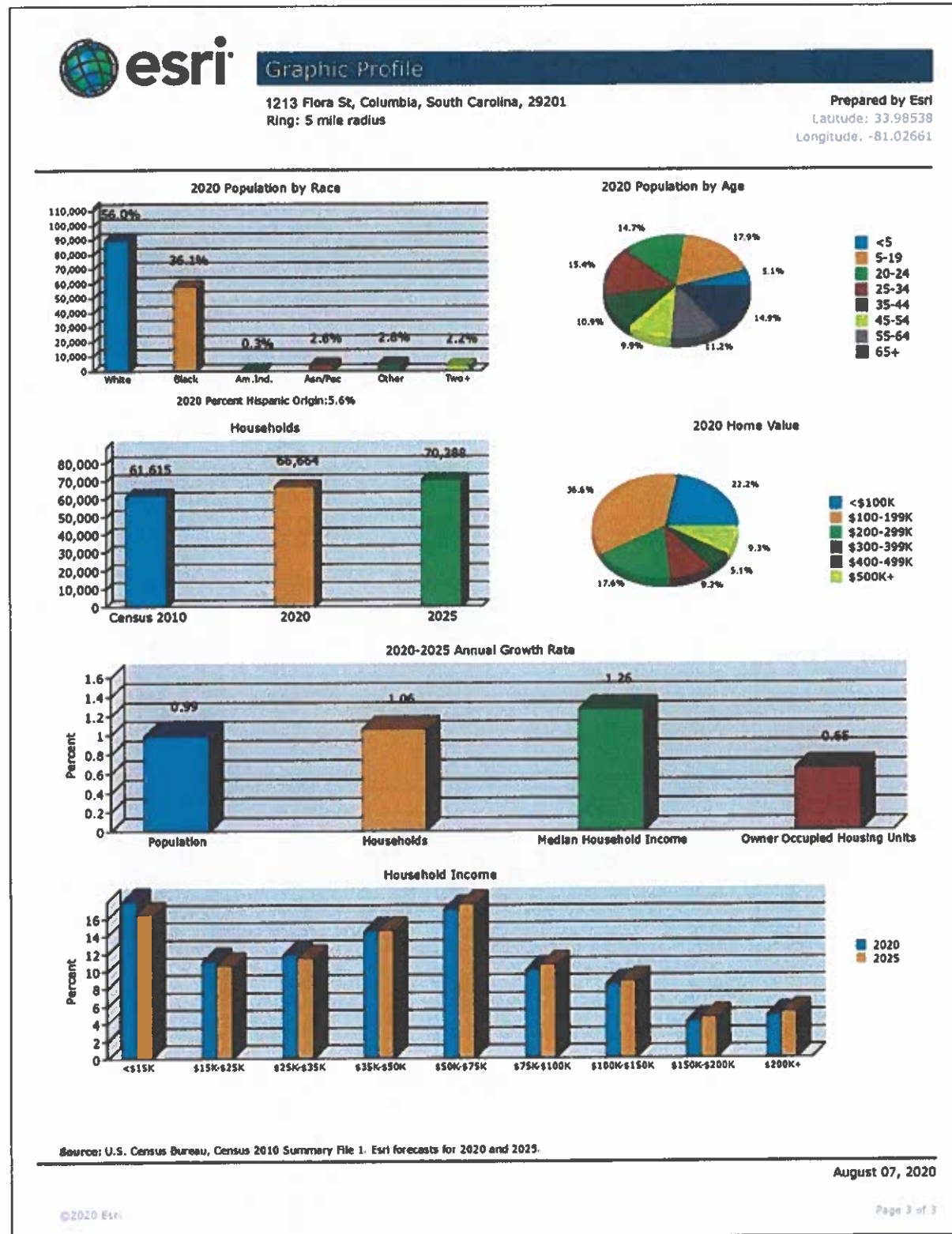


Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

August 07, 2020

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Page 2 of 3



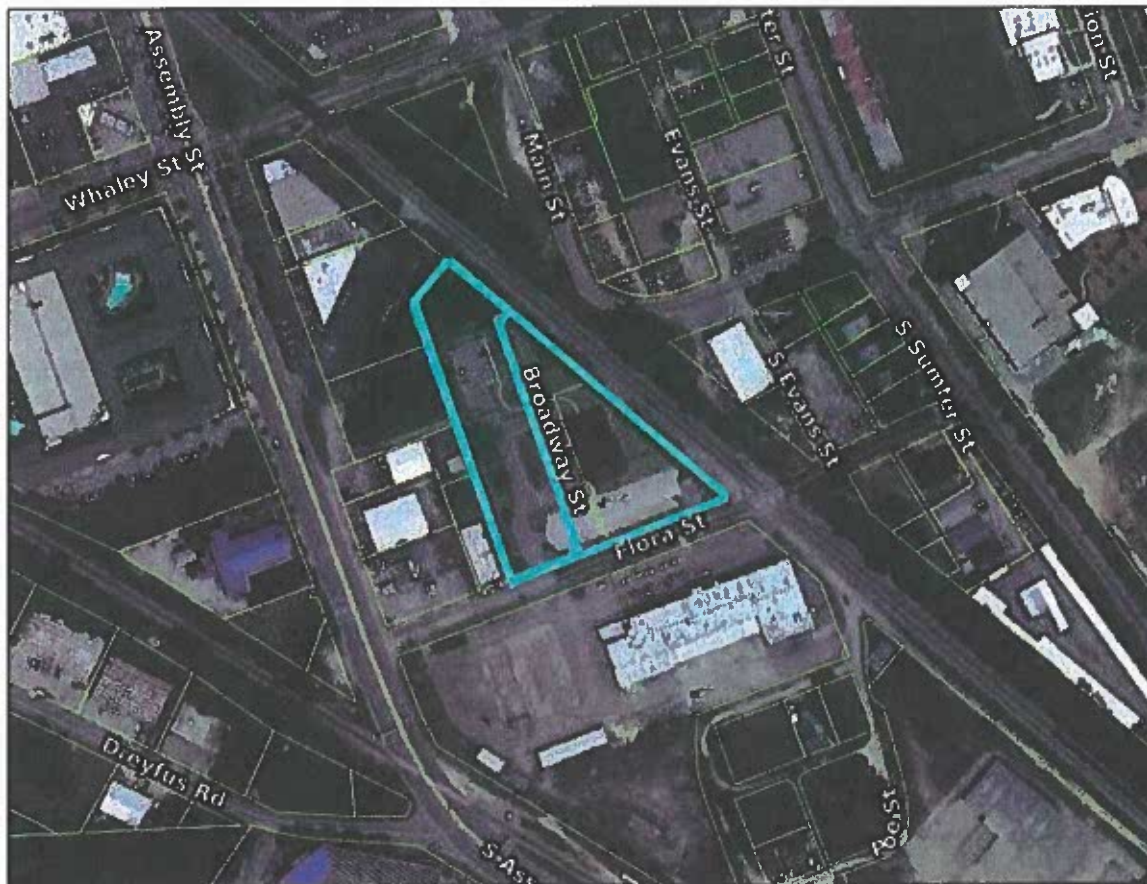
Conclusion

The City of Columbia and County of Richland has a well-educated population base which has seen a steady increase in population. In addition, the available education within the area provides the area with a well-educated workforce. The majority of land uses in the immediate area are for student housing, industrial, commercial and service oriented uses. A number of properties in this area have been acquired by The University of South Carolina as the University campus continues to expand in this direction. An example of this is the former mill building located across Flora Street from the subject, containing approximately 6.20 acres, that was acquired by The University.

Description of Site

Location/Description

The subject property is an interior site located along the northwest side of Flora Street. Full access to the site is available from Flora Street. Broadway Street, shown in the aerial photograph below, has been closed and absorbed into the redevelopment of this site in 2013 when the improvements were constructed.



Source: Richland County GIS (for demonstration purposes only, not to scale)

Size and Shape

The subject property, comprised of two (2) parcels, containing a total of approximately 3.15 acres (137,214 SF) of land, irregular in shape. A copy of the GIS Map is shown above to provide a better understanding of the size, shape, and location of the property. A Plat of the subject property is in the **Subject Photographs and Exhibits** section of this report.

Road Frontage/Access

The site has approximately 404.74 linear feet of road frontage along Flora Street. Access to the property is via Flora Street.

PUBLIC VERSION**20-050 1213 Flora Street****Description of Site****Topography, Drainage and Soils**

The topography of the site is mostly level and at grade with Flora Street. The drainage appears to be adequate. The soils on the site are suitable for development as indicated by the current improvements which have been developed on the subject and adjacent properties.

Easements/Encroachments

Typical utility easements are located on the subject property as noted from the inspection. The typical easements do not have a negative impact on the use or desirability of the property. As previously noted, the rear portion of the employee parking area is crossed, southwest to northeast, by a permanent City of Columbia Sanitary Sewer Easement containing approximately 0.13 acres.

Zoning

The subject property is zoned M-1, Light Industrial District, by the County of Richland Zoning Department. This district "is intended to accommodate wholesaling, distribution, storage, processing, light manufacturing, and general commercial or agricultural uses. Certain related structures and uses required to serve the needs of such uses are permitted outright or are permitted with special requirements and/or special exceptions." The current improvement utilized as an office is a legally conforming use. The setbacks and building height requirements within the district are as follows:

Minimum Yard Requirements (feet)			
Front	Rear	Side	Maximum Building Height
25'	10'	N/A	N/A

Deed Restrictions

No recorded deed restrictions on the use of the property were located.

Tax Assessment Data

The tax data for the subject properties was obtained from the tax records of Richland County with the property identified on Tax Map #R11301-04-24 and Tax Map #R11301-04-06. The chart below shows the size (acres) per county assessor. The 2019 fair market value of the property (based on 1.04 acres) is \$677,100 with \$626,00 allocated to the land and \$51,100 allocated to improvement. The property is exempt from taxes as it is owned by South Carolina Electric and Gas Company n/k/a Dominion Energy. The millage rate and taxes for 2020 have not yet been assessed. If sold into private ownership, this property will be reassessed and taxed by Richland County.

2019 Tax Summary									
TaxMap ID	Location	Based on Acreage	Assessor's Market Value				Total	2019 Taxes	Paid
			Land	Building	Agricultural	Other			
R11301-04-24	1207 Flora Street	0.90	\$202,600	\$0	\$0	\$0	\$202,600	Exempt	Exempt
R11301-04-06	19 Broadway Street	0.14	\$423,400	\$51,100	\$0	\$0	\$474,500	Exempt	Exempt

Source: Richland County Assessor / Richland County Treasurer

The current tax law for the assessment of real estate has a provision that permits the tax assessor to adjust the market value for tax purposes to the assessable transfer of interest (contract sales price). For counties with assessed values considerably less than actual market values, this will result in higher real estate taxes. The subject property, as a whole, has a current market value of \$677,100 (aggregate). State

PUBLIC VERSION

20-050 1213 Flora Street

Description of Site

property tax legislation (Act 388) passed in 2007 allows for reassessment increase to be capped at 15% over a five-year period. Additionally, when a property is sold in a transaction that is considered an assessable transfer of interest (ATI), the property is subject to an immediate reassessment to the amount of the sales price. Legislation approved in 2011 is applicable to all primary residential properties which are assessed at a six percent (6%) rate and include commercial properties, investment properties and second homes but excludes manufacturing properties assessed at 10.5%. Properties will receive a 25% exemption from the sales value for taxation purposes. The exemption cannot decrease a property's assessed tax value beyond what is already established on the county tax rolls. All properties will continue to be subject to each county's reassessment program and will be subject to the 1% cap on tax increases for each five-year reassessment period.

The following calculation estimates the taxes for the property based upon an Assessable Transfer of Interest (ATI) that will occur at the time of sale and is estimated based on the appraised value shown herein:

ATI at 75% of Market Value	
1207 Flora Street, Columbia SC	
TMS #R11301-04-24 and TMS #R11301-04-06	
SF	7,335
MV for Tax	\$1,575,000
MV Per SF	\$214.72
Assessed Value	\$94,500
Rounded	\$94,500
Tax District - ICC	0.551400
Tax Amount	\$52,107.30
Local Option Tax Credit	\$5,417.46
Tax Amount	\$46,689.84
RE Taxes Per SF	\$6.37
Tax Credit	
MV	\$94,500
Lost Credit Factor	0.057328
Tax Credit	\$5,417.46

Flood Insurance Rate Map (FIRM)

According to a review of the Richland County FIRM Map 45079C0357L, dated December 21, 2017, the property is located within Zone AE AND X. The majority of the property is not in a flood hazard area; however, there is a portion of the western boundary that is located in a flood hazard area. The Richland County GIS Flood Overlay below will provide a better understanding of the size and location of the flood hazard area.

**Potential Environmental Hazards**

An environmental site assessment has not been performed on the subject property. We are not experts in environmental conditions; however, we recommend that any potential purchaser of the site have an environmental site assessment performed. If an environmental site assessment is performed and negative environmental conditions are present, a re-appraisal may be required. It should be noted that a railroad right of way is located along the subject's northeast property line. Rail cars are noted for transporting junk cars, petroleum products, solvents, construction debris, etc. that could be hazardous.

Wetlands

A wetlands delineation has not been provided. The available survey makes no reference to wetlands. We have assumed the property has no significant jurisdictional wetlands which would have a negative impact on the site.

Utilities

Utilities available to the subject property consist of water and sewer provided by the City of Columbia; electricity provided by Dominion Energy, natural gas, if available, is provided by Dominion Energy, telephone and cable service provided by a number of independent carriers. Available public utilities appear to be in adequate supply at reasonable rates.

Description of Improvements

Overview

The present improvements consist of a 1-story office building containing 7,335 square feet. The improvements were constructed in 2013. The overall physical condition is good with the subject's actual age being approximately 7 years with an effective age estimated at approximately 3 years. The total economic life of the improvements is approximately 60 years with the remaining economic/useful life being approximately 57 years. The overall physical condition is good. The subject has a land to building ratio of 18.71 to 1 which exceeds what is typical for this type improvement.

Dimensions

The dimensions of the 1-story office building are irregular containing 7,335 square feet. A copy of each Sketch is contained in the **Subject Photographs and Exhibits** section of the report to provide the reader a better understanding of the size and shape of the building.

Primary Office

This building is designed and used as an office and payment center with drive thru. The building is constructed on a concrete slab foundation a brick veneer exterior. The floor plan is made up of an entry foyer; reception area; eleven (11) private offices; education area; teller area; counting room; breakroom; copy/mail room; conference room; three (3) restrooms; and closet rooms for janitorial; electrical and storage. The floor coverings are carpet; hard tile; and vinyl tile. The finish is average. Interior walls are drywall. The ceilings are acoustical tile with flush mount fluorescent lighting fixtures. This area is centrally heated and cooled.

Drive-Thru Facility Area

The drive thru area is three (3) lanes, teller operated and utilized for utility payments. Associated with the drive thru area is the teller area and counting room.

HVAC

We are not experts in HVAC systems but it appears the HVAC systems were was working at the time of our inspection.

Electrical

The electrical system is typical of this type improvement and appears adequate for the current requirements of all building. There did not appear to be any visible deficiencies in the electrical system upon inspection. However, we are not experts on electrical systems. It should also be noted that, typical of offices utilized for payment centers, a generator back-up system is located at the rear of the building to maintain power to the computers in the event of a power outage.

Parking

Adequate parking for the subject improvements is available. Parking on the site is predominantly marked, paved asphalt. Ingress and egress to the parking locate is by way of Broadway Street. There is excess parking to operate an office building as the requirement by zoning is 17 spaces or 1 space per every 450 square feet. The subject's existing public parking is made up of 45 marked spaces with two (2)

PUBLIC VERSION**20-050 1213 Flora Street.****Description of Improvements**

of these being handicapped. Employee parking is located behind a security gate and contains 21 marked spaces of which one (1) is handicapped.

Landscaping

The subject property has good typical landscaping for an office building.

Condition

The subject building was designed, constructed and is functional as a 1-story office building. The overall physical condition of the interior is good with the exterior condition being good. The improvements were constructed in 2013. The overall physical condition is good with the subject's actual age being approximately 7 years with an effective age estimated at approximately 3 years. The total economic life of the improvements is approximately 60 years with the remaining economic/useful life being approximately 57 years.

Conclusion

The subject's land to building ratio of 18.71 to 1 and the excess parking are indicators that the subject property has excess land that could be utilized for expansion of the existing building or sold off for development of the excess area. This will be discussed further within the **Highest and Best Use** section of this report.

Subject Photographs and Exhibits

Date of Subject Photos: August 8, 2020 (Exterior) and August 12, 2020 (Interior)



PUBLIC VERSION

20-050 1213 Flora Street

Subject Photographs and Exhibits



LOOKING NORTH AT EMPLOYEE PARKING LOT



REAR VIEW OF IMPROVEMENT FROM EMPLOYEE PARKING AREA



LOOKING NORTH AT EMPLOYEE PARKING AREA



ENTRY FOYER



RECEPTION AREA



TYPICAL OFFICE

PUBLIC VERSION

20-050 1213 Flora Street

Subject Photographs and Exhibits



INTERIOR HALLWAY



BREAKROOM



TELLER AREA



STORAGE ROOM



COPY/MAIL ROOM



TYPICAL RESTROOM

(Improvements shown on the plat below have been razed and the site redeveloped)

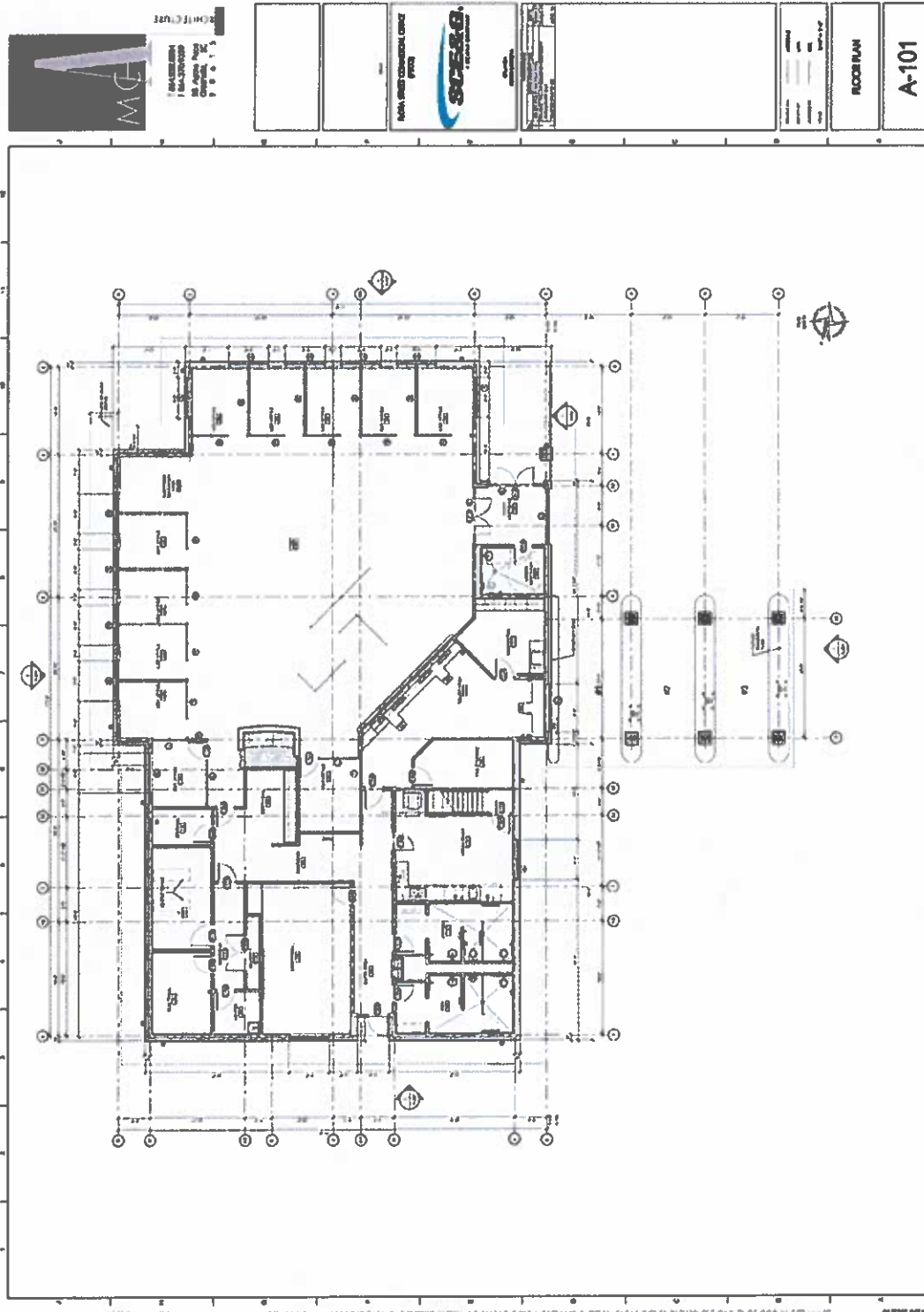


PUBLIC VERSION

20-050 1213 Flora Street

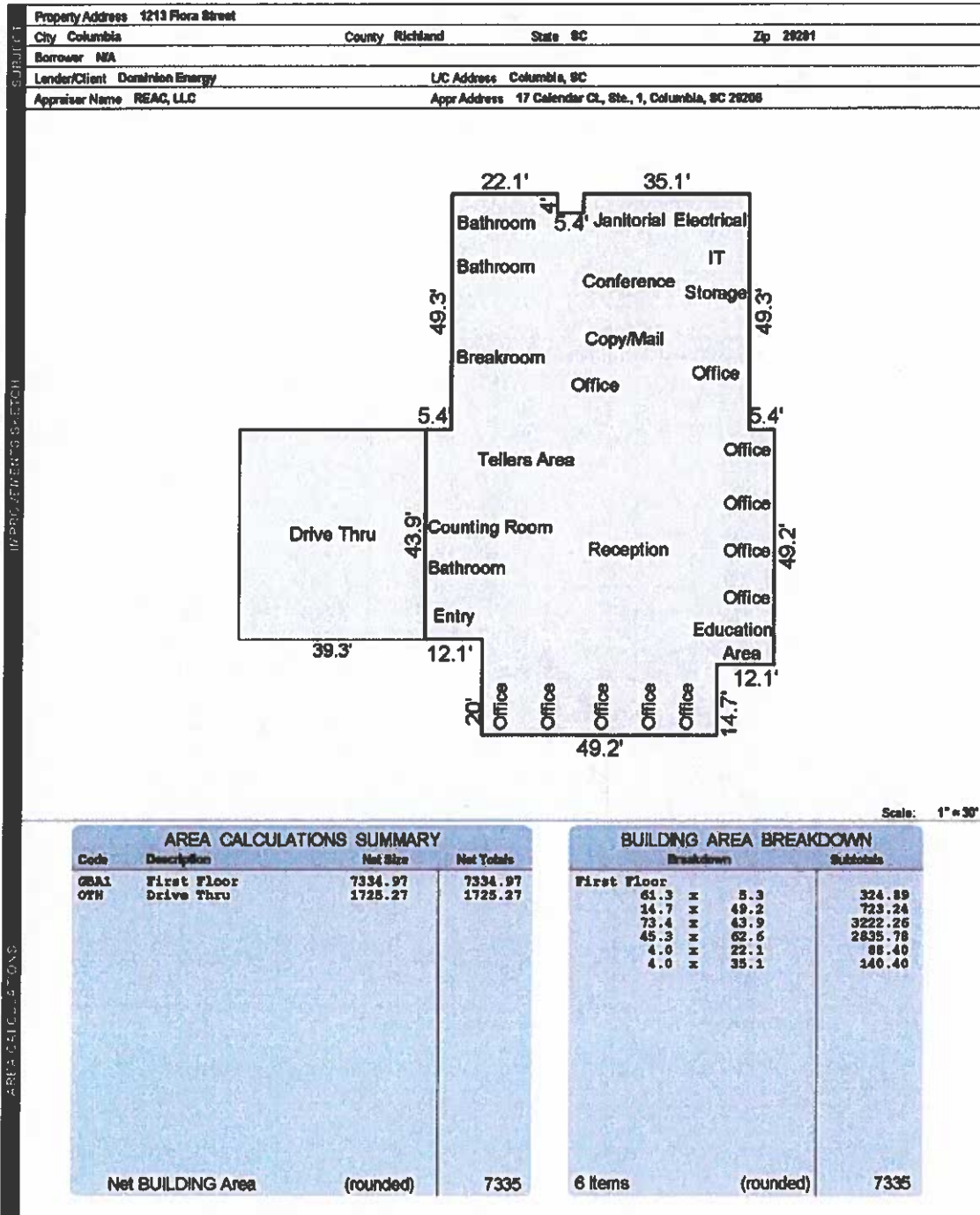
Subject Photographs and Exhibits

FLOOR PLAN



SKETCH/AREA TABLE ADDENDUM

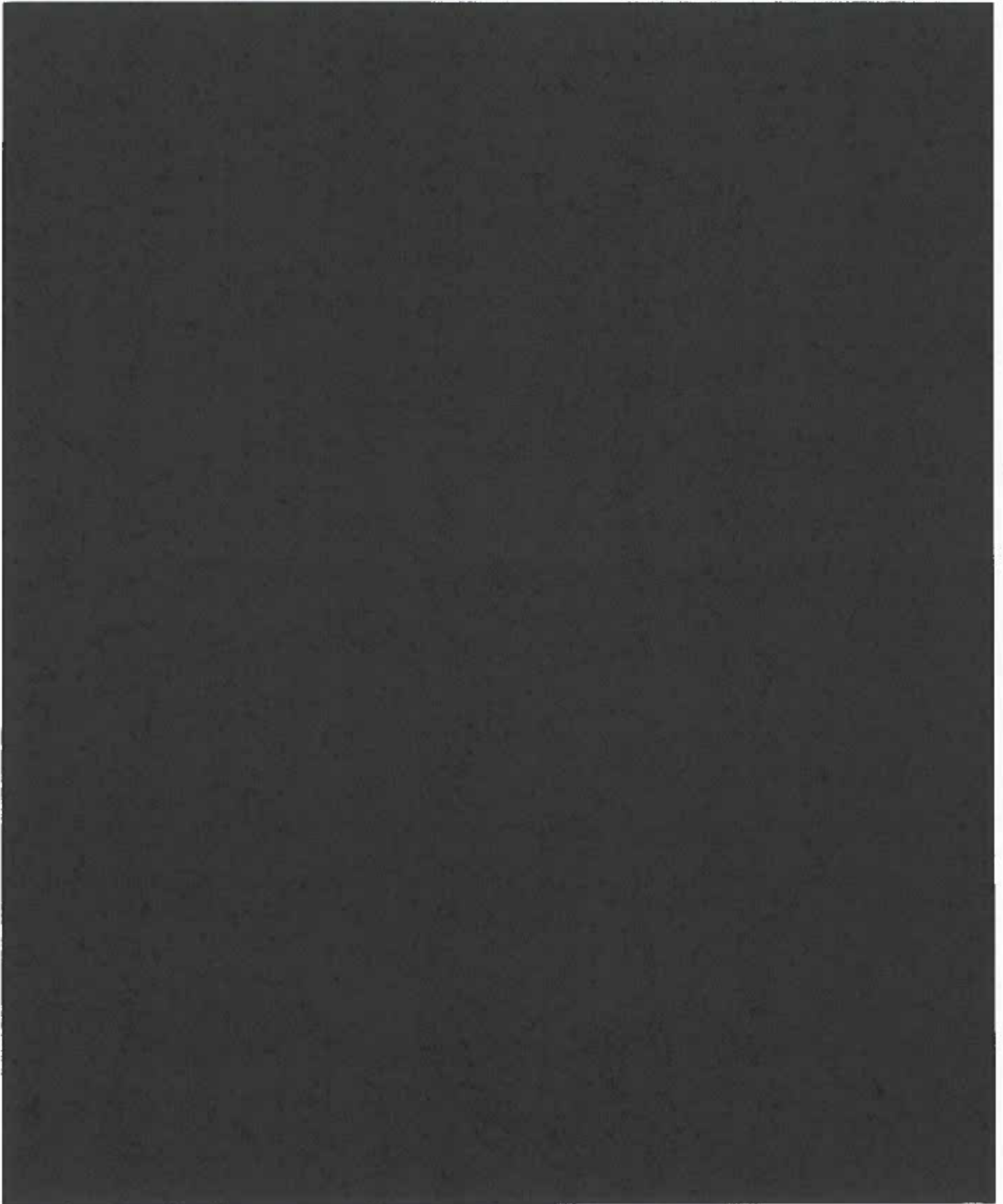
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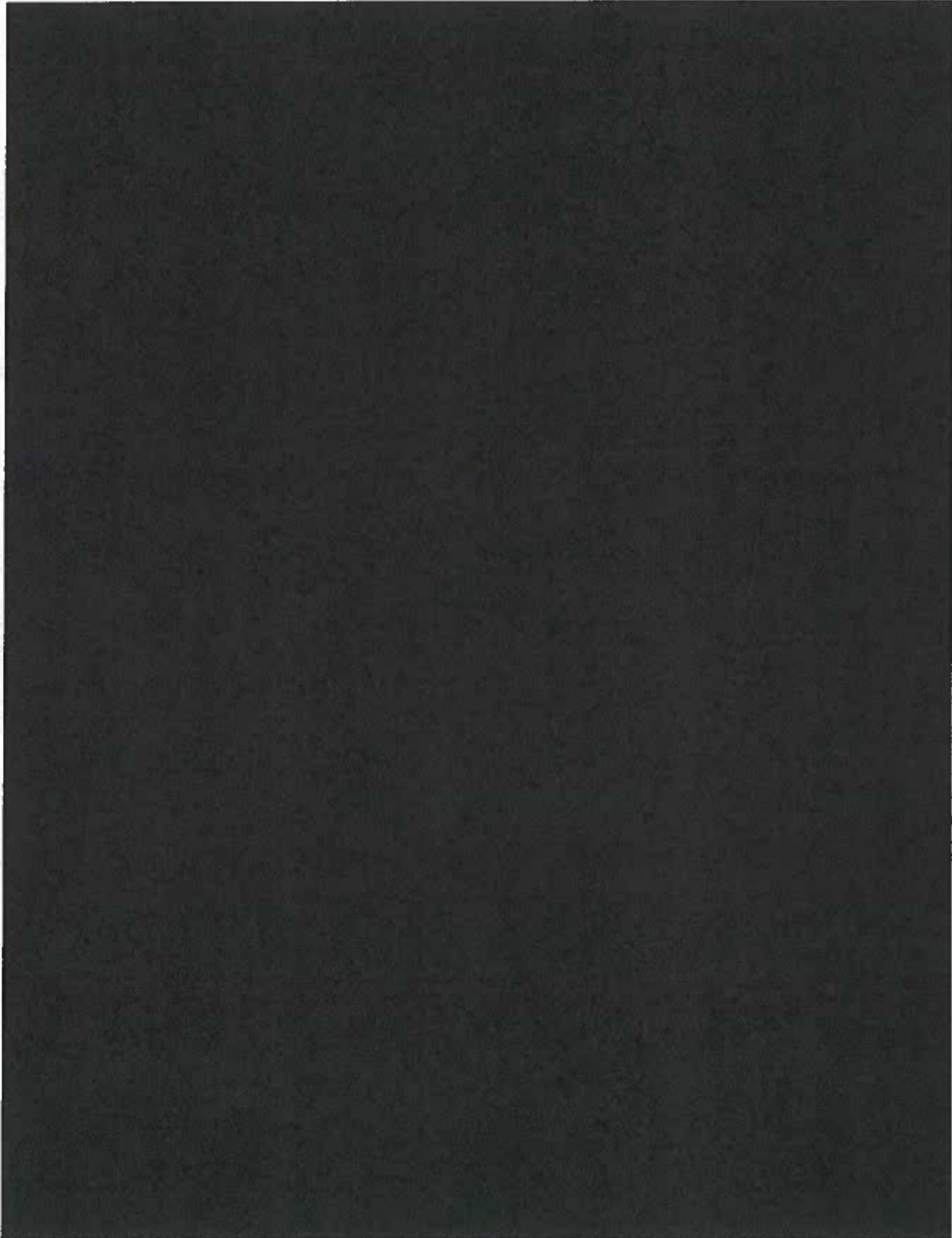


Joe Webb

APR SOFTWARE 800-655-9955

Page 100 of 100

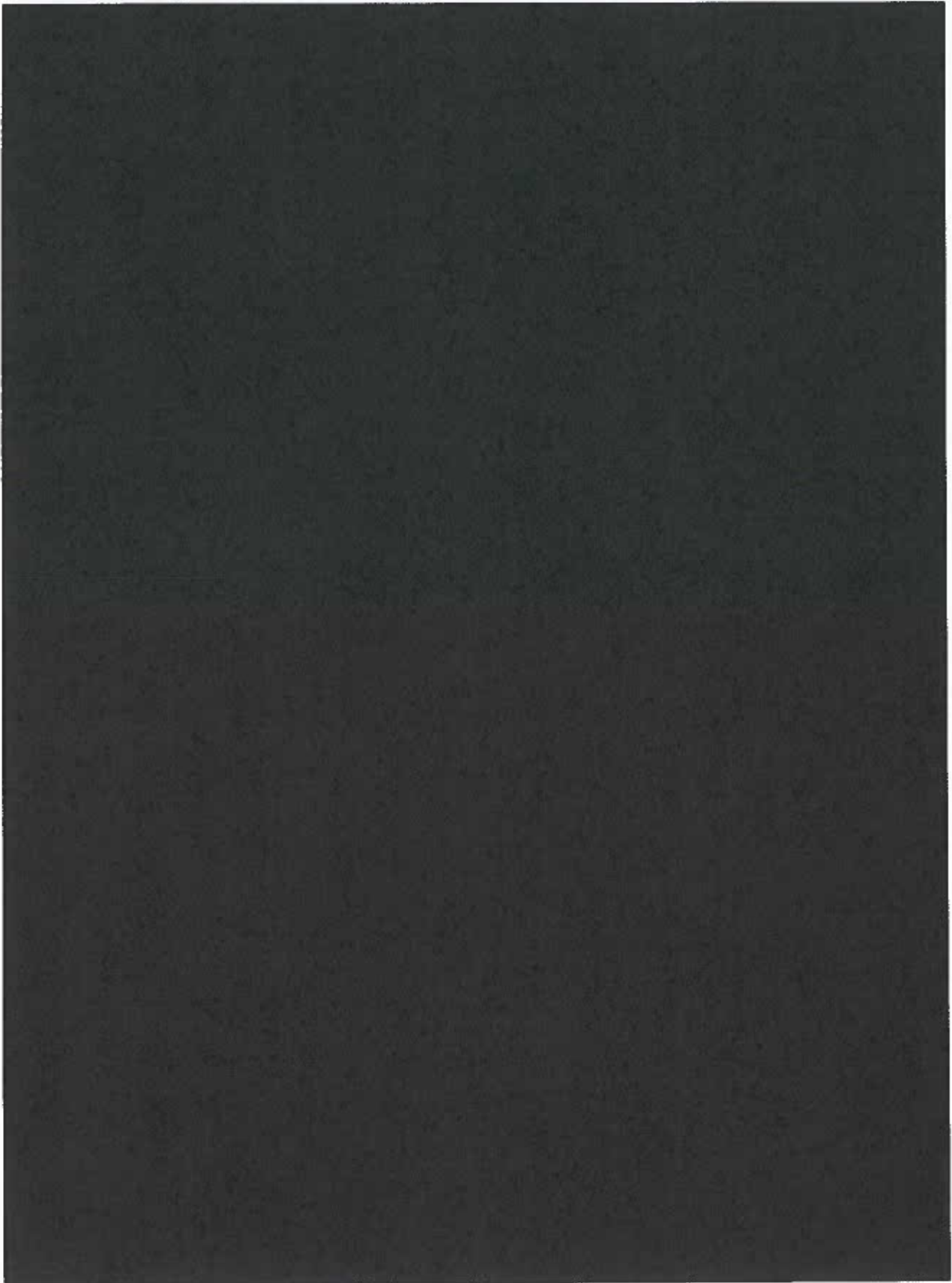


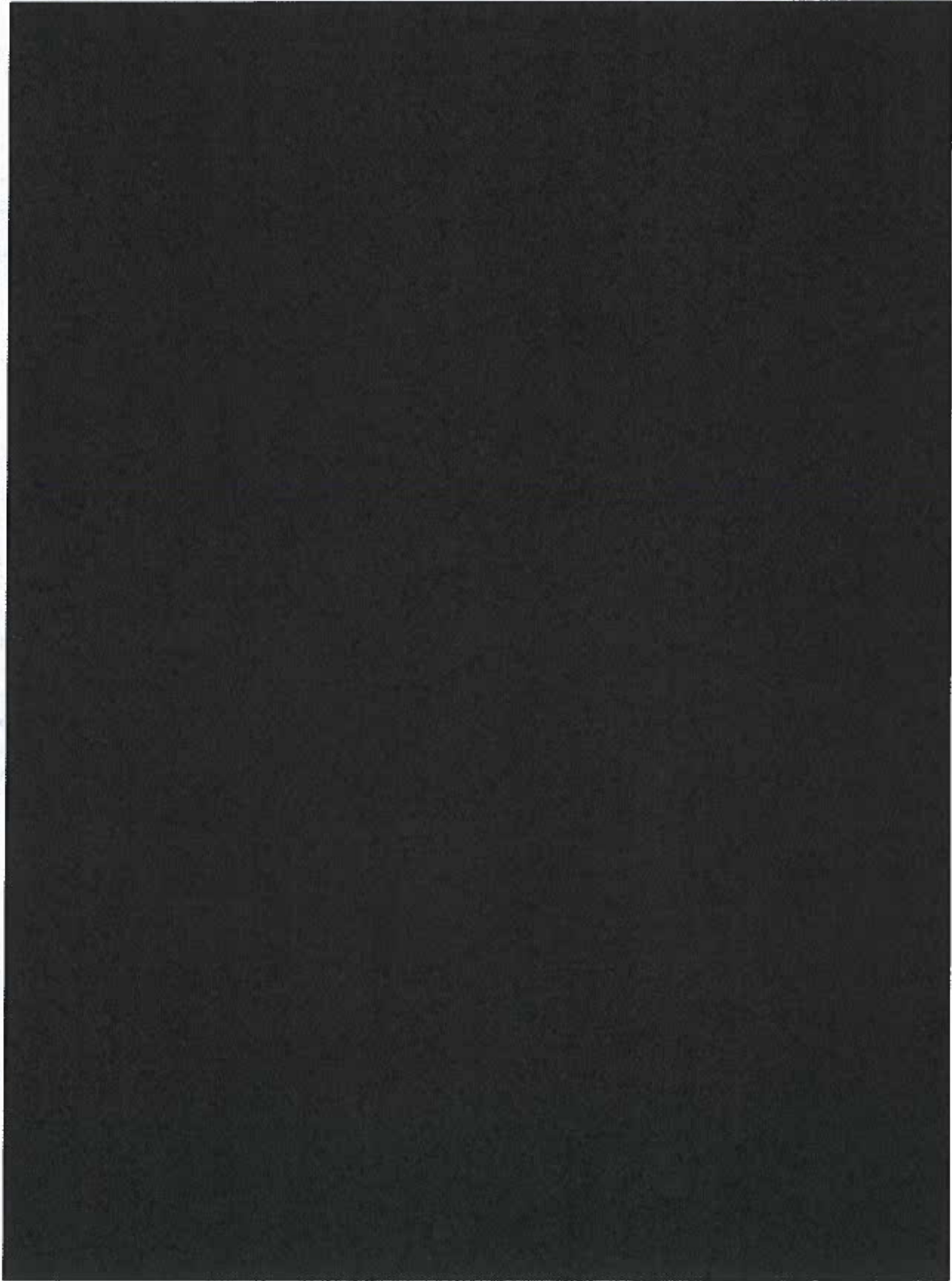


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20-050 1213 Flora Street

Highest and Best Use

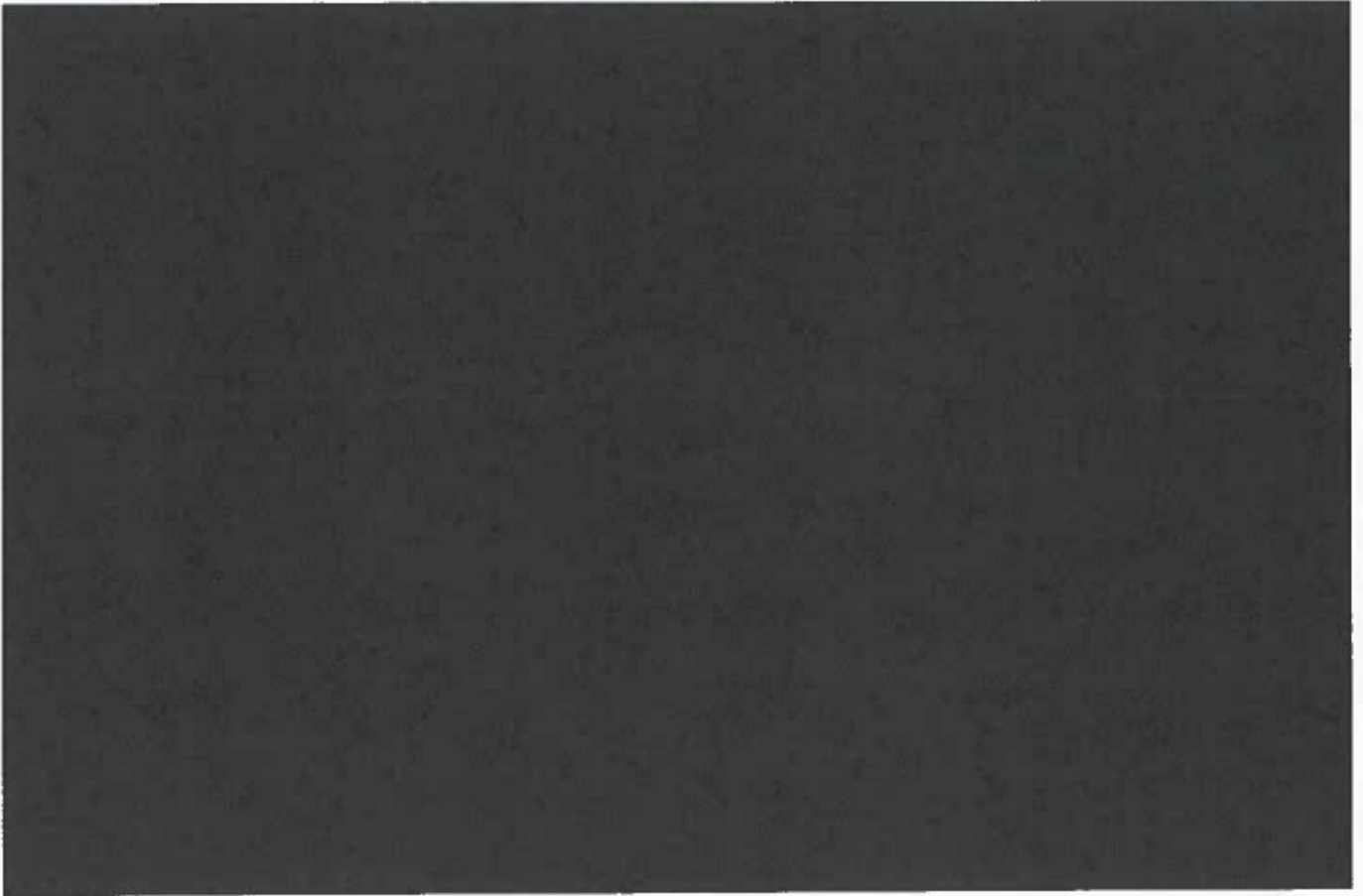


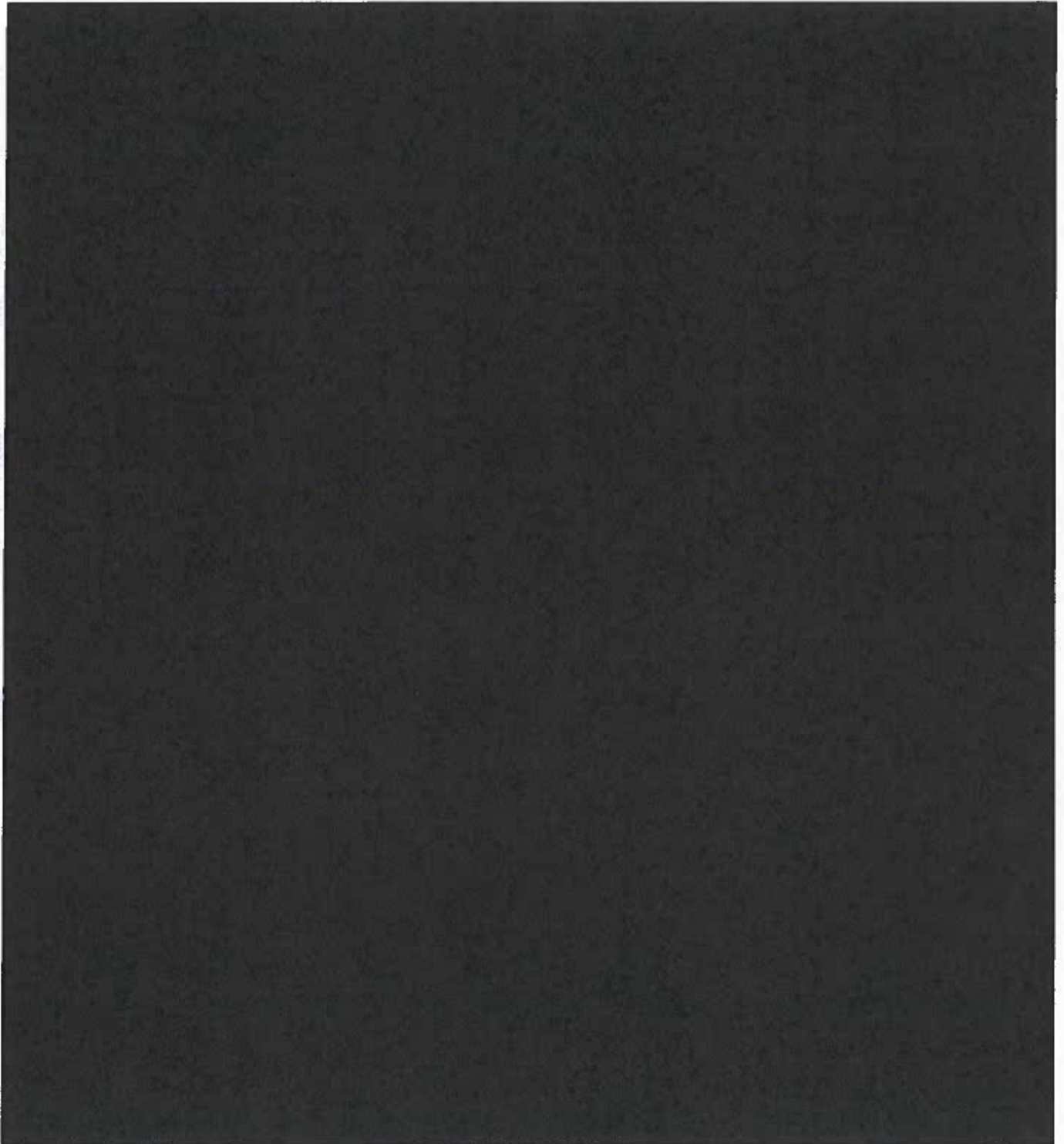


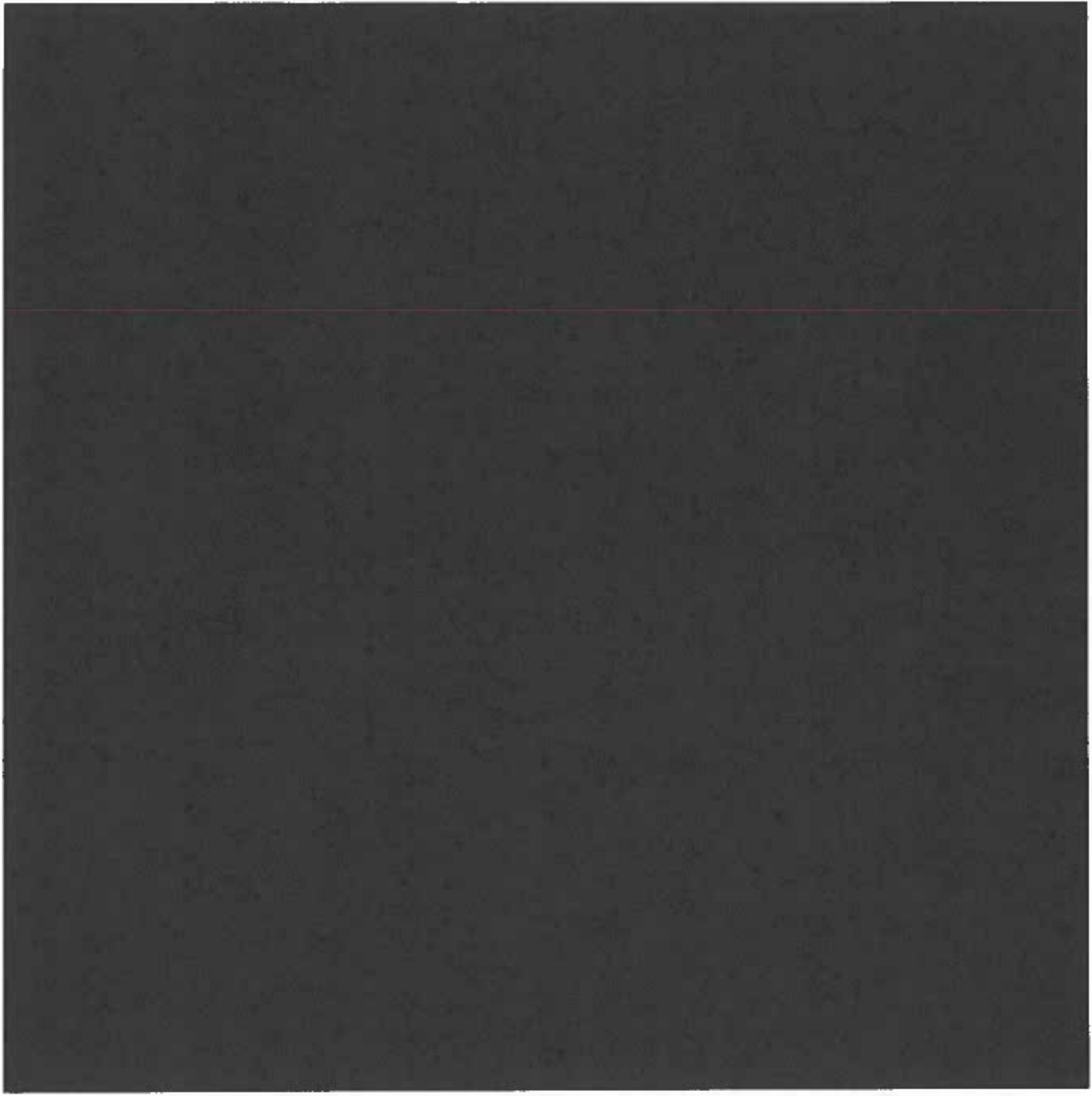
PUBLIC VERSION

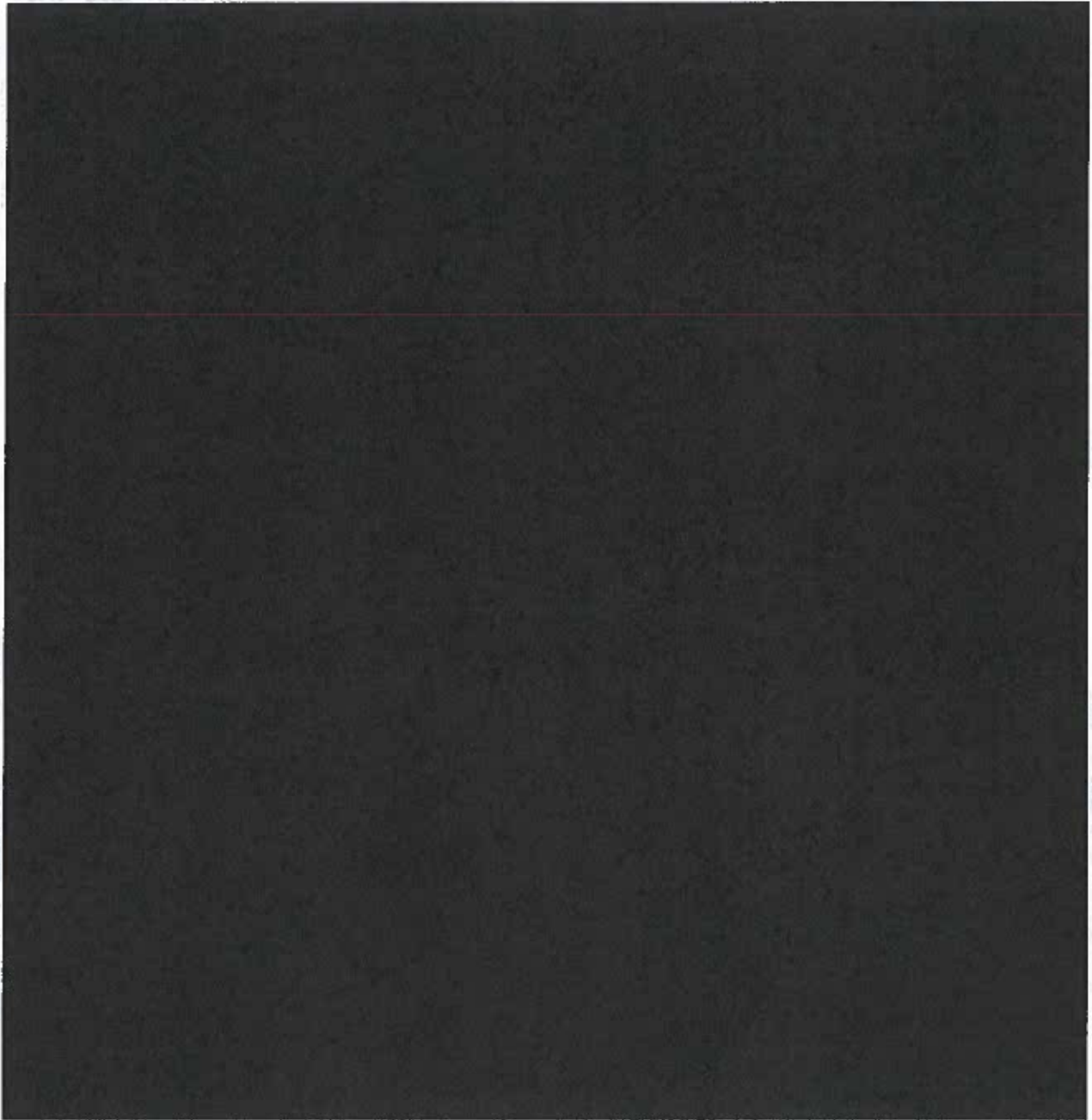
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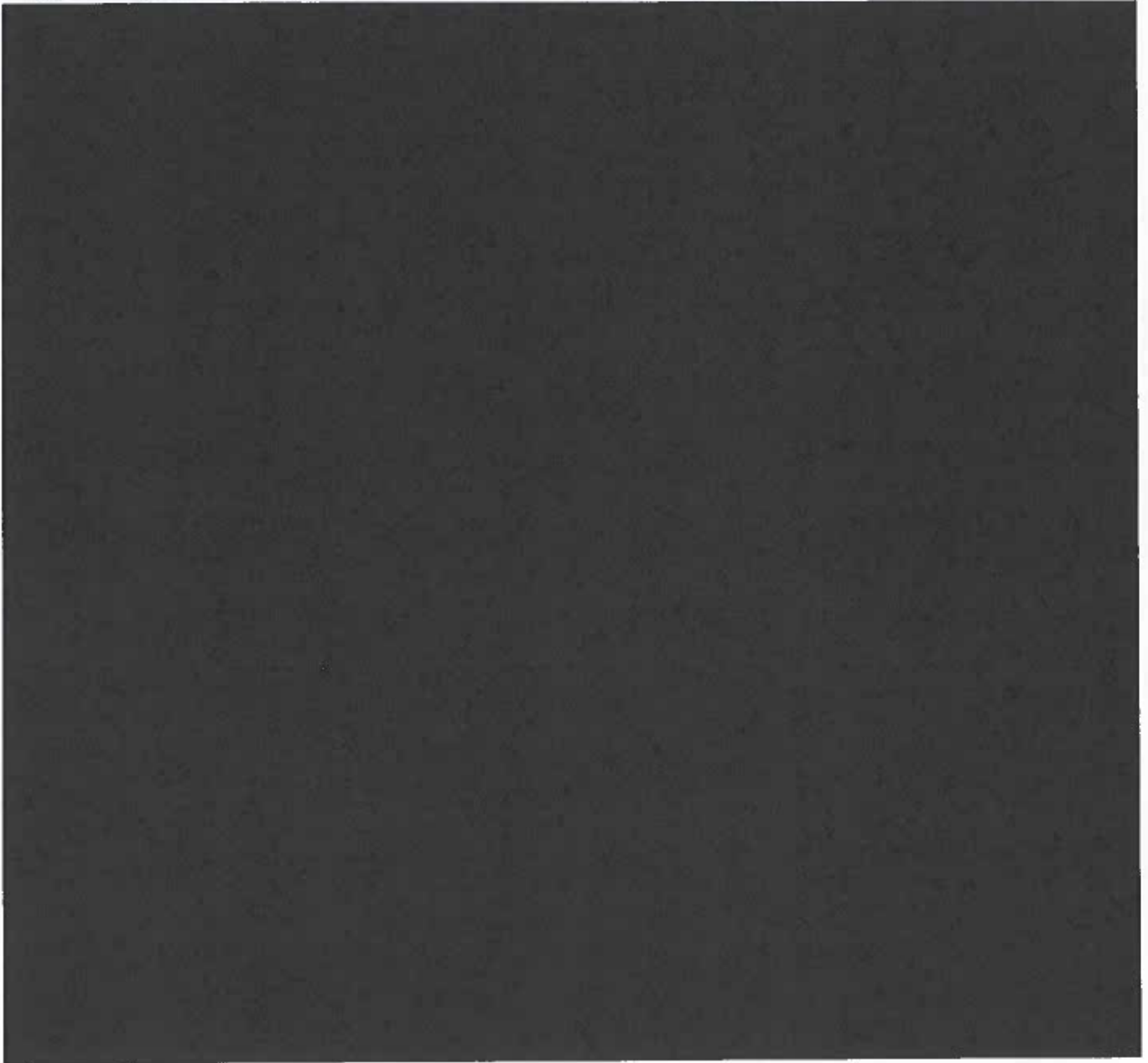
Sales Comparison Approach to Value

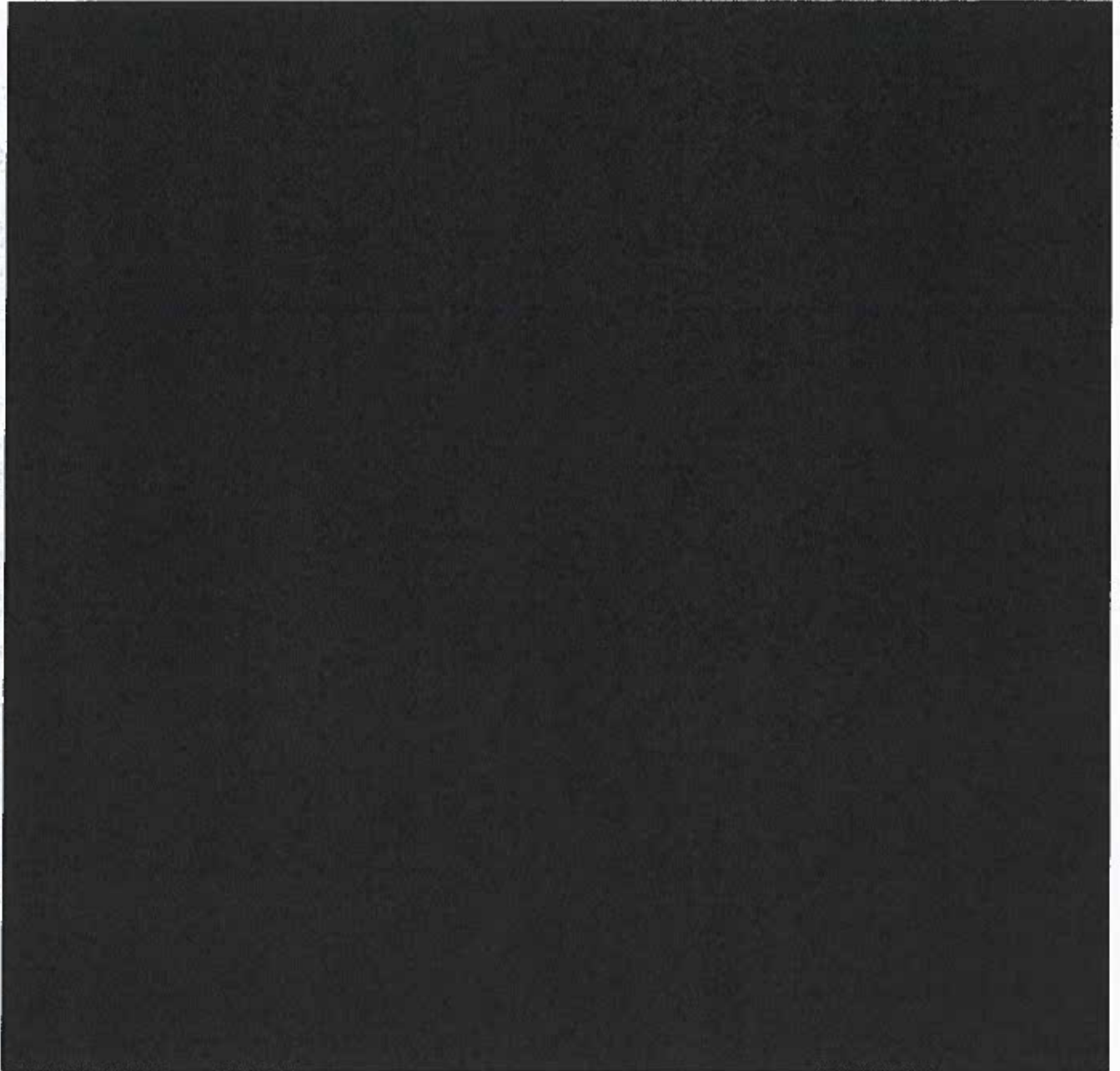


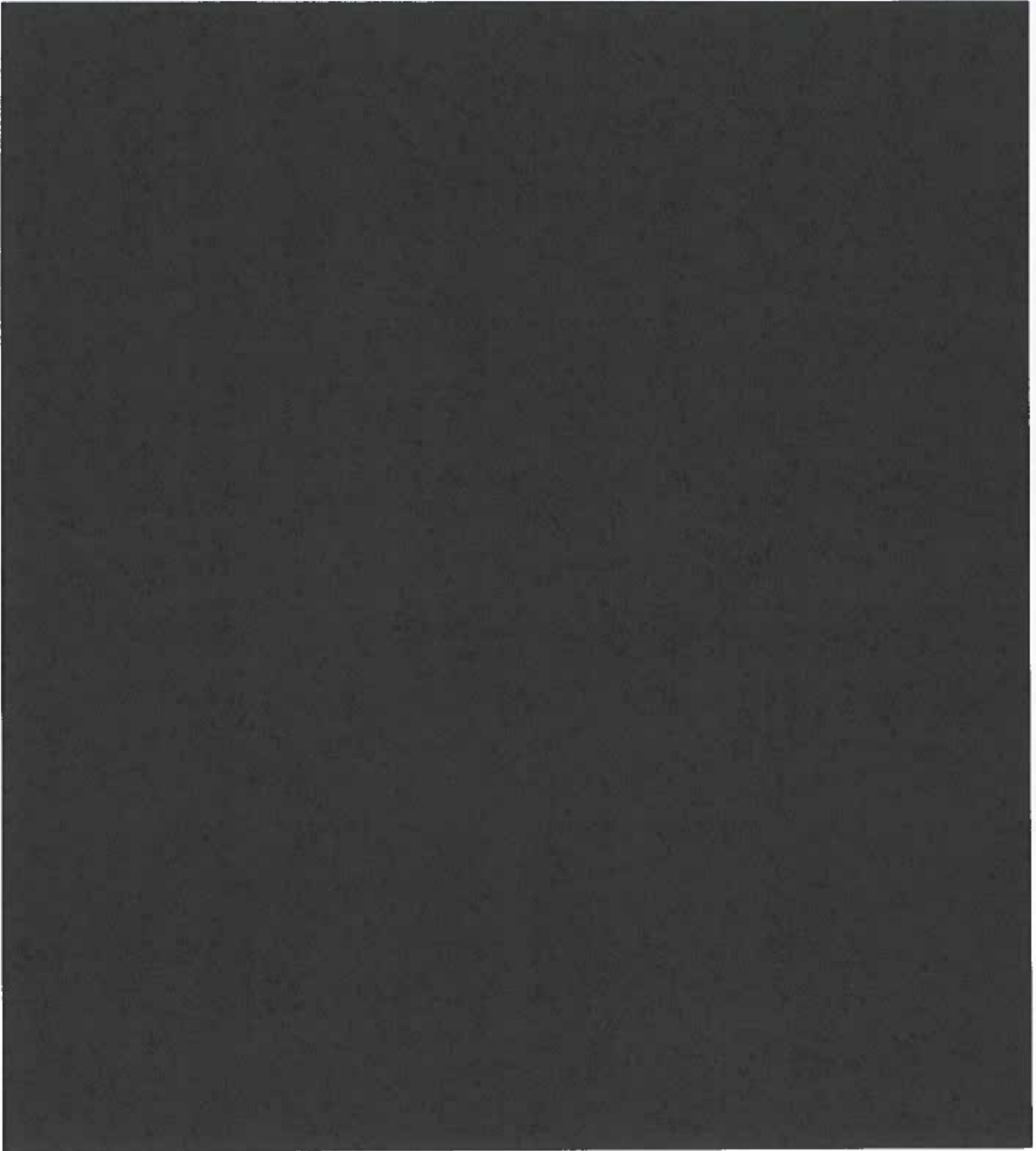


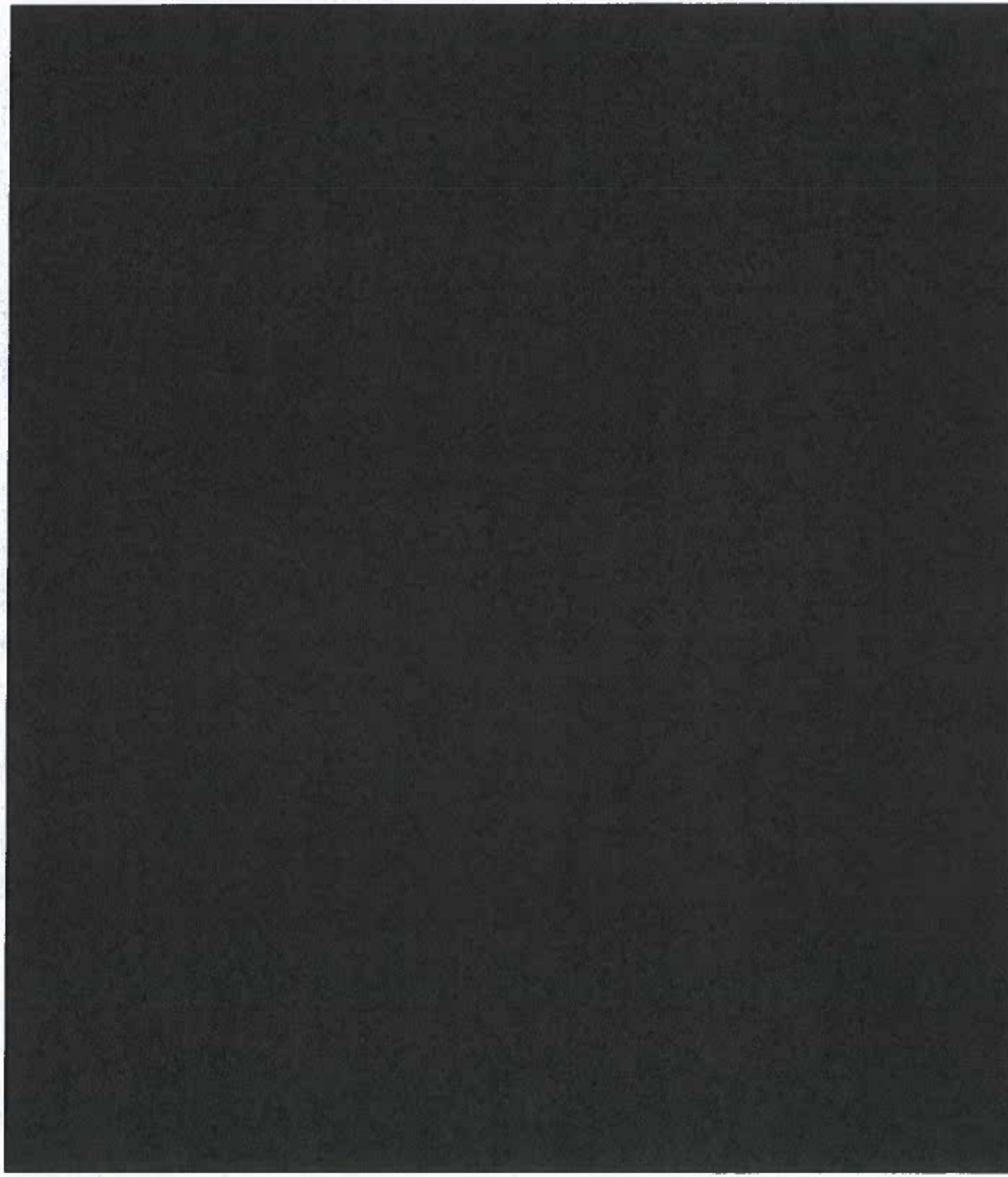


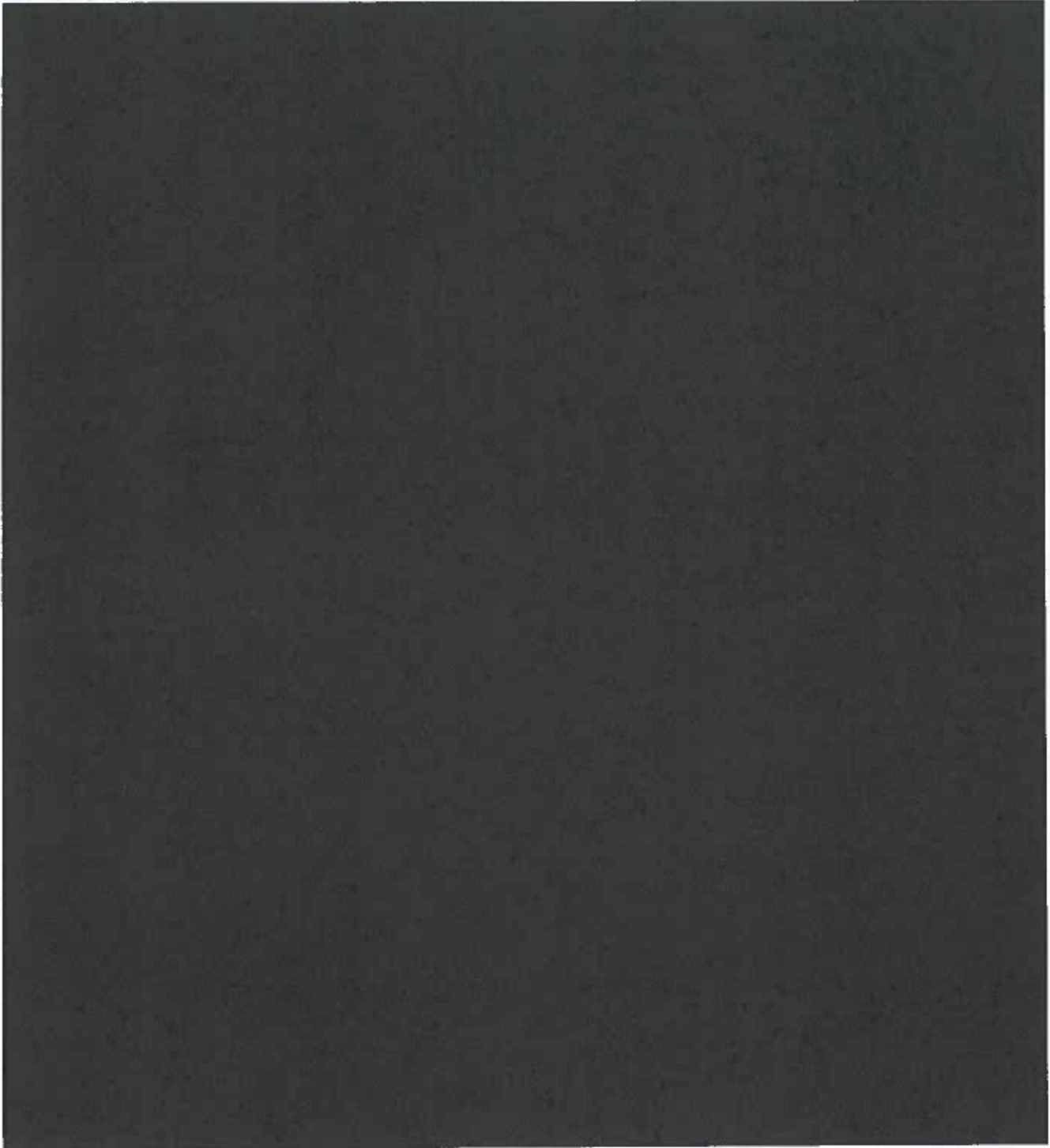


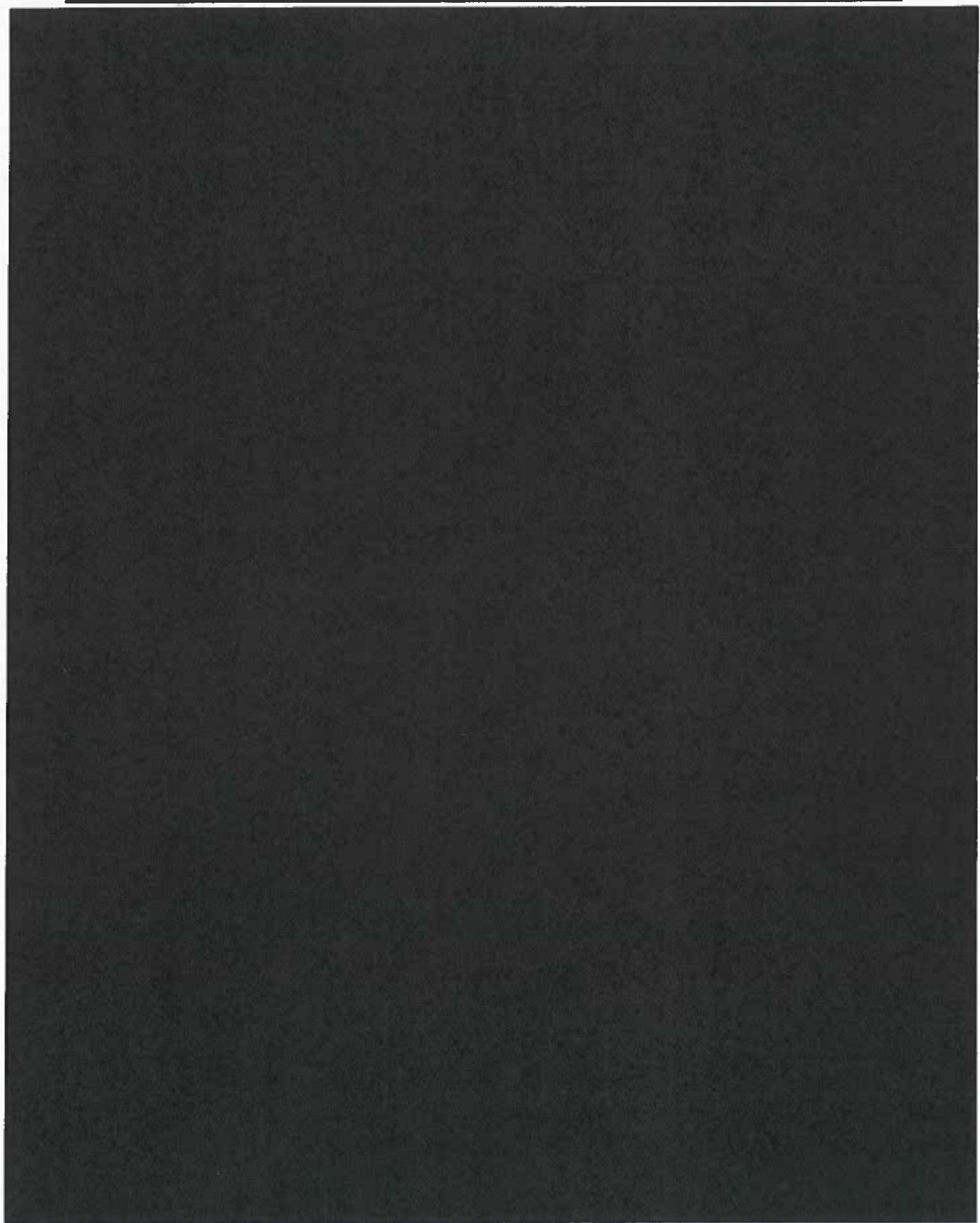


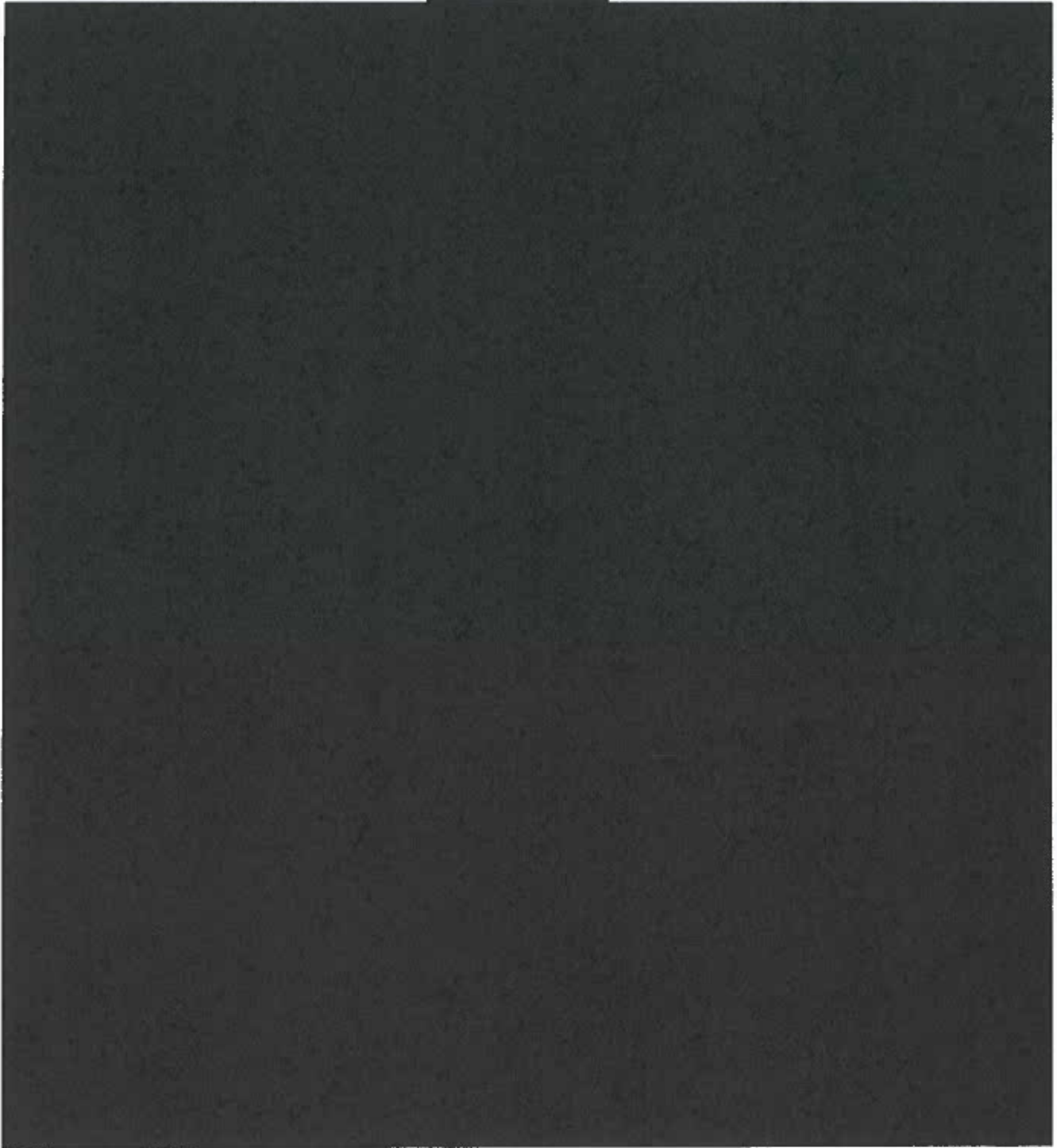


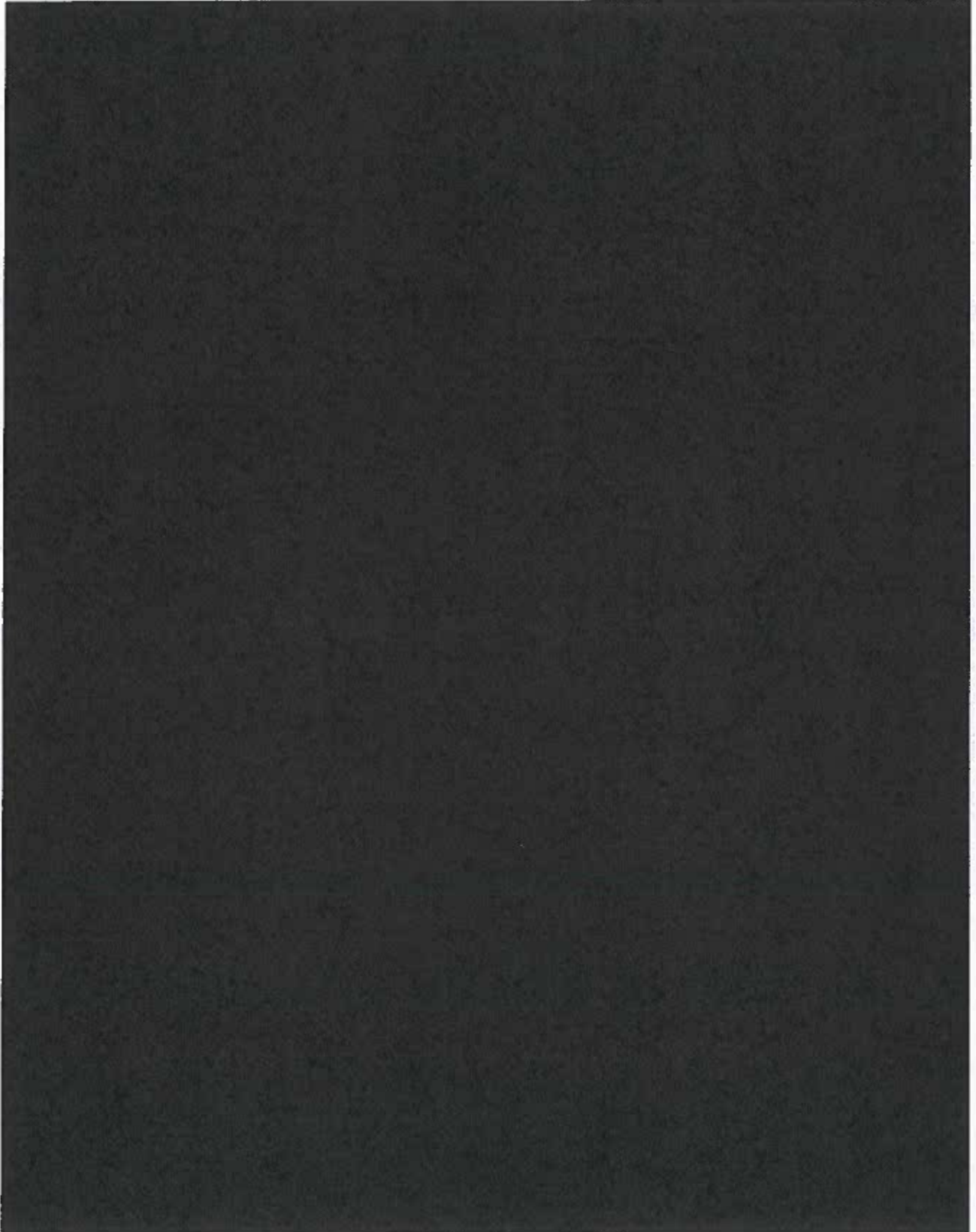


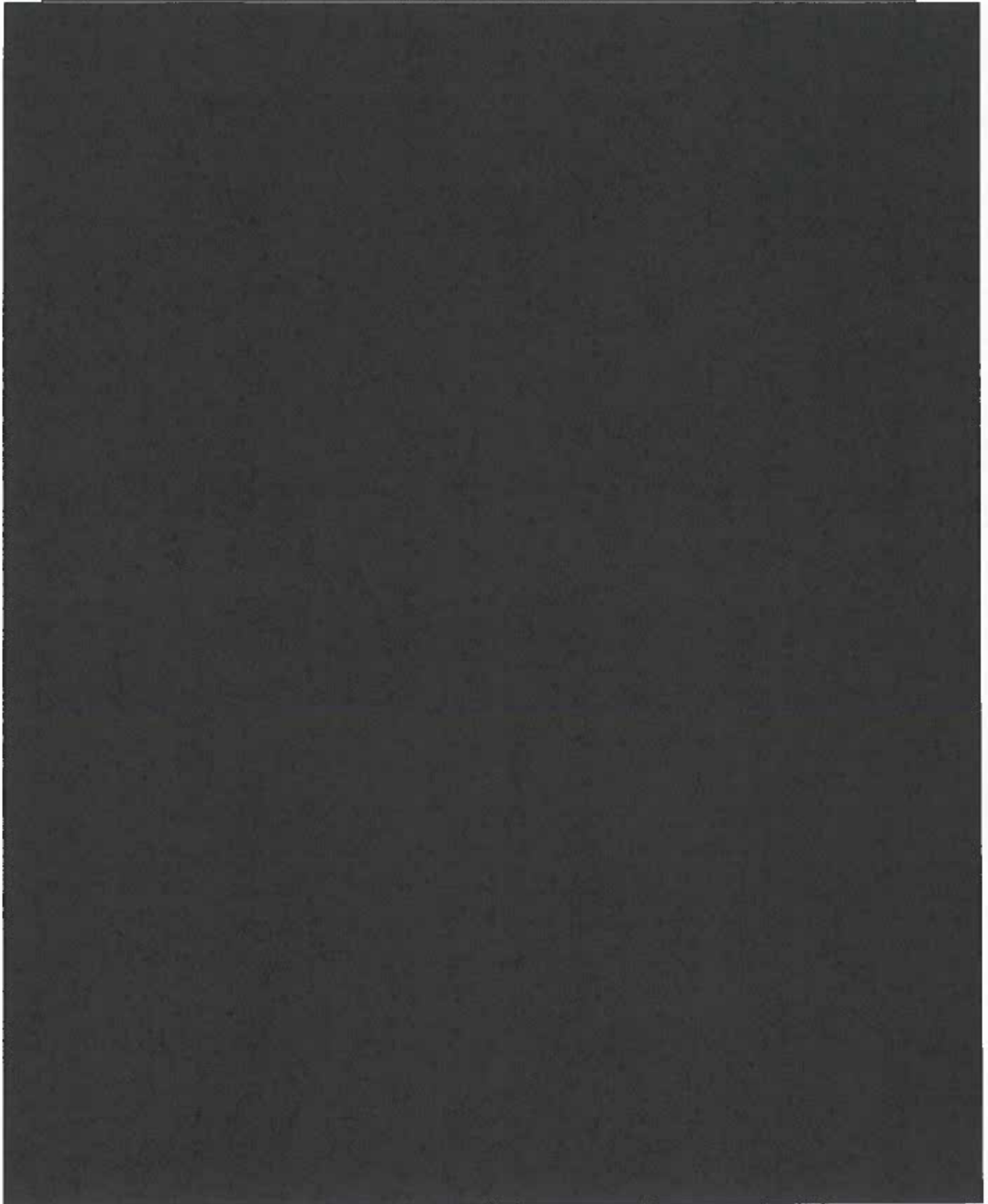


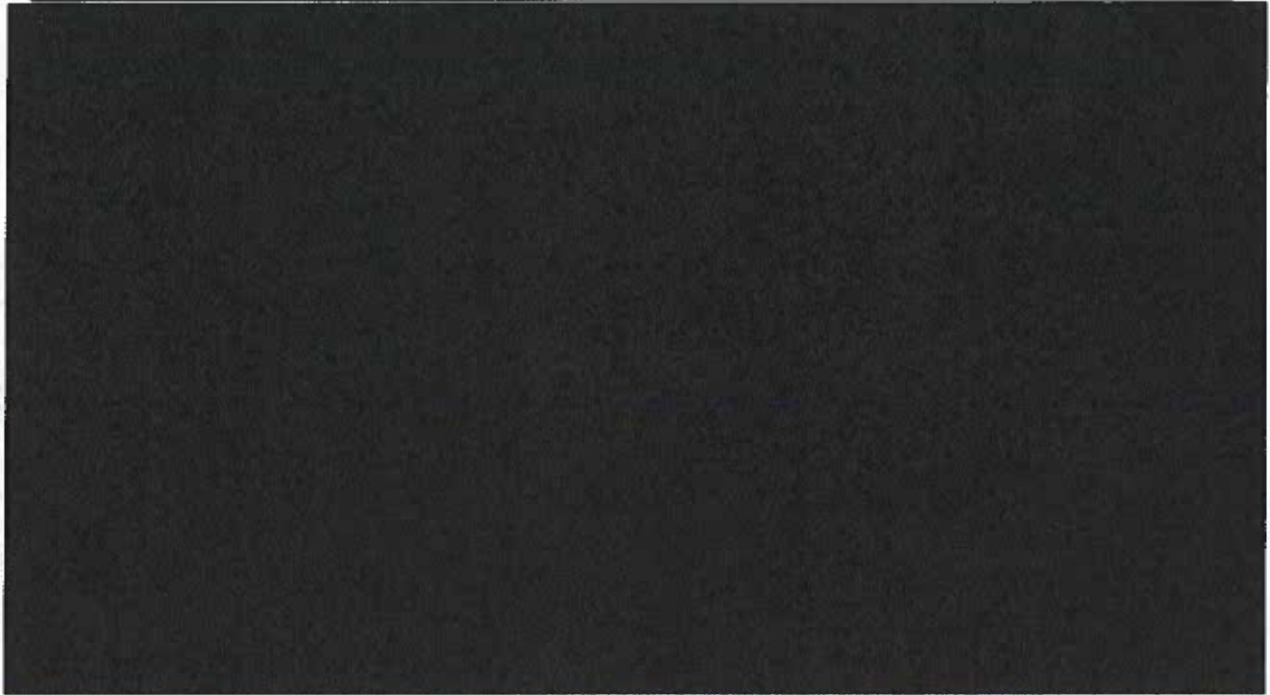








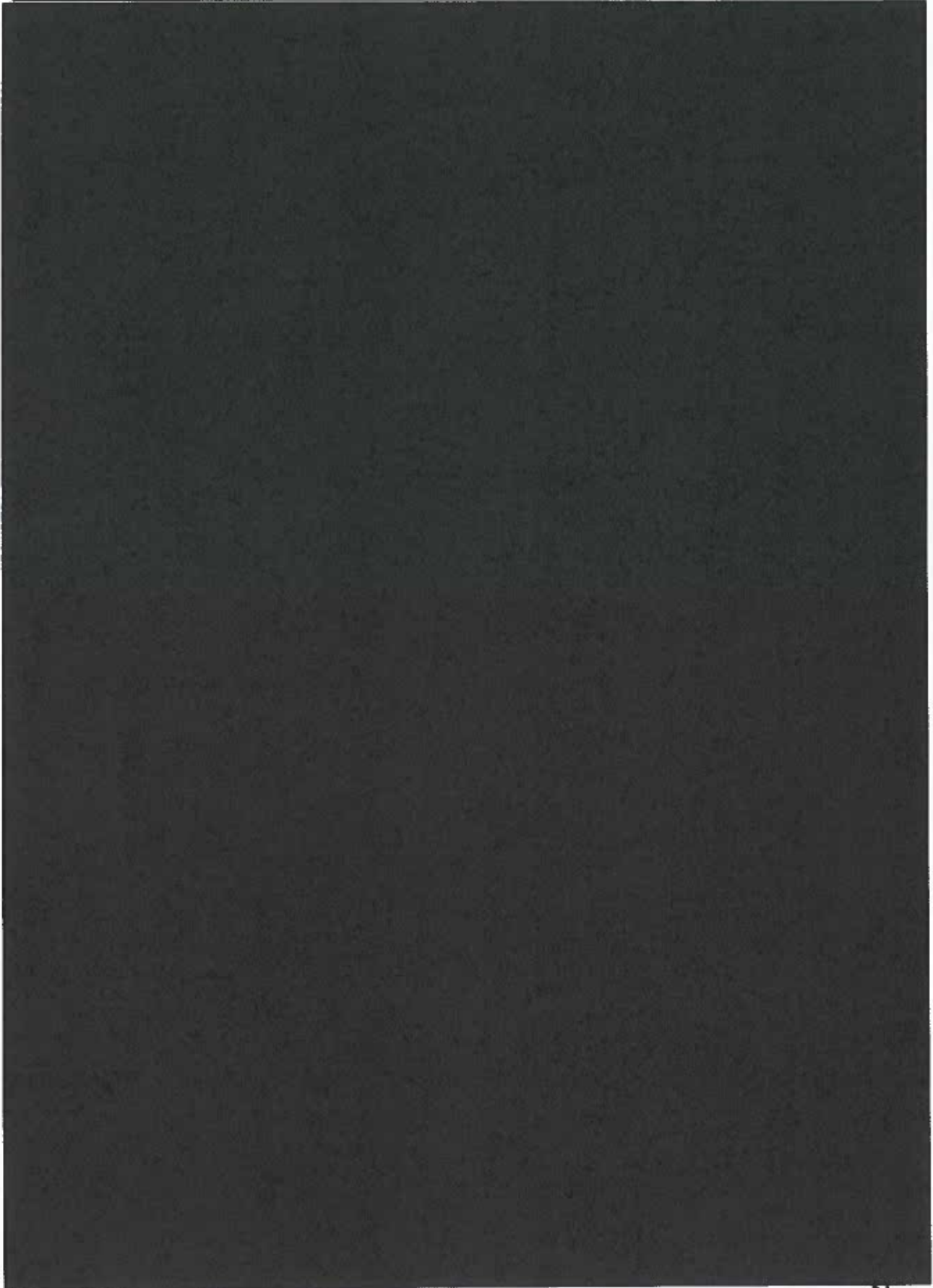


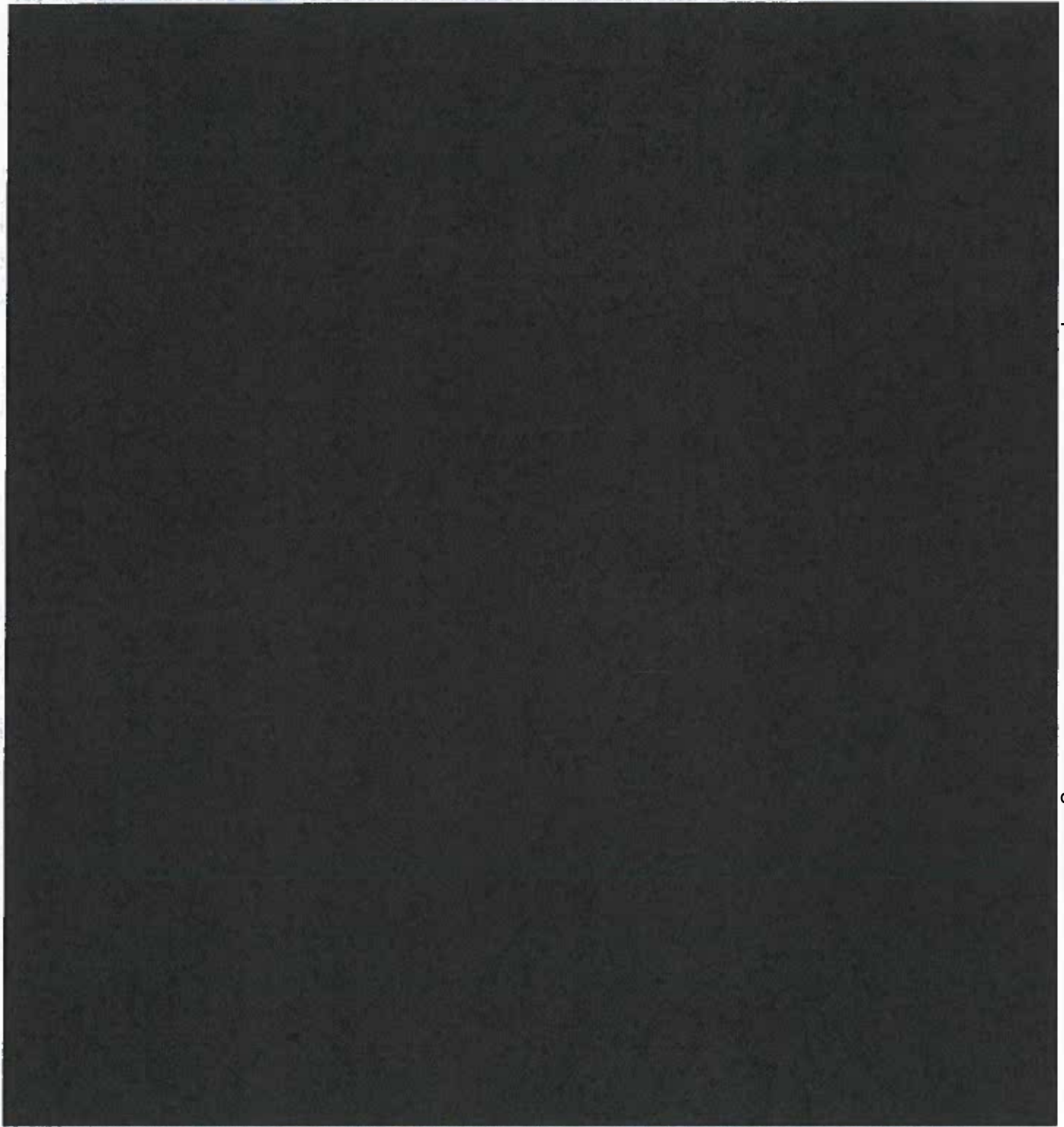


PUBLIC VERSION

20-050 1213 Flora Street

Income Approach to Value





PUBLIC VERSION

20-050 1213 Flora Street

Reconciliation and Final Value Estimate

Our valuation of the subject property considered the best information that was available at the time of our analysis and users of this appraisal should consider the appraisal may be affected by the scope of work. Users are reminded that the appraisal conclusions in this report are effective as of the stated date(s) of valuation.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Respectfully submitted,



George E. Knight, Jr., MAI
S. C. State Certified General
Real Estate Appraiser No. CG 1531



Joseph B. Woods, SRA
S.C. State Certified General
Real Estate Appraiser No. CG 983

GEKjr:JBW/scl

Addenda

Subject Deeds

(A copy of the plat is contained in the Subject Photographs and Exhibits section of the report)

This is a portion of the parcel of land described as the CAPITAL CITY parcel in the deed from Pacific Mills to Pacific Columbia Mills, Inc. dated December 15, 1955 and recorded in the office of the Register of Deeds Conveyances for Richland County, S. C. in Deed Book 175, at pages 363 and following. Title thereto passed to the Grantor upon the statutory merger of Pacific Columbia Mills, Inc. into it as of December 31, 1965.

ID 367 PAGE 432

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Together with all and singular the Rights, Members, Hereditaments and Appurtenances to the said premises belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the premises before mentioned unto the said Grantee and Grantee's successors and assigns forever.

And the Grantor does hereby bind itself and its successors to warrant and forever defend all and singular the said premises unto the said Grantee and Grantee's successors and assigns, against itself and its successors and against every person whatsoever lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF the said Grantor has caused its corporate seal to be hereunto affixed and these presents to be signed by its duly authorized officers on this the 24th day of October, 1975.

CORPORATE SEAL

In the Presence of: M. LOWENSTEIN & SONS, INC. (SEAL)

Leis Schweighardt Sam Cohen
Its Vice-President

Thompson Attest: B. B. Ruppert
Its Secretary - Treasurer

STATE OF NEW YORK)
COUNTY OF NEW YORK)

PERSONALLY appeared before me the undersigned witness and made oath that (s)he saw the above named M. LOWENSTEIN & SONS, INC. by its duly authorized officers sign, seal with its corporate seal and as the act and deed of said corporation deliver the within written Deed, and that (s)he with the other witness whose name is subscribed above witnessed the execution thereof.

SWORN to before me this 24th day of October, 1975.

L. Viola Rockstrom (SEAL)
Notary Public for New York

My Commission expires: Mar 30 1976

L. VIOLA ROCKSTROM
Notary Public, State of New York
No. 24-0510259
Qualified in Kings Co.
Dist. Filed in New York Co.
Comm. Expires March 22, 1976

NOTARIAL SEAL

-2-

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PUBLIC VERSION

20-050 1213 Flora Street

Addenda

AFFIDAVIT

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

FILED
WESLEY CONVEYANCES
CLARA L. BARTLETT TO REAL ESTATE
(DEED)

KNOW ALL MEN BY THESE PRESENTS, THAT George G. Matthews, Sr. and Katherine E. Matthews, whose mailing address is 716 Elmwood Avenue, Columbia, South Carolina 29208 (hereinafter whether singular or plural referred to as the "Grantor") in the State aforesaid, for and in consideration of Five Dollars and No/100 Dollars (\$5.00) and other valuable consideration to the Grantor paid by South Carolina Electric & Gas Company, whose mailing address is Palmetto Center, 1426 Main Street, Columbia, South Carolina 29218 (hereinafter whether singular or plural referred to as the "Grantee") has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the Grantee, the real estate (the "Premises") described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN

TOGETHER with all and singular, the rights, members, appurtenances and appurtenances to the Premises belonging or in any incident or appertaining, including but not limited to all improvements of any nature located on the Premises and all easements and rights-of-way appurtenant to the Premises.

TO HAVE AND TO HOLD all and singular the Premises unto the Grantee, its Successors and Assigns forever.

And the Grantor does hereby bind itself, its successors, and other lawful Representatives, to warrant and forever defend all

VOL D1062M:825



PUBLIC VERSION

20-050 1213 Flora Street

Addenda

Vol D1062Mst635

GEORGE G. MATTHEWS, SR. AND
KATHERINE B. MATTHEWS

GRANTOR

to

SOUTH CAROLINA ELECTRIC AND GAS
COMPANY

GRANTEE

AFFIDAVIT OF
TRUE CONSIDERATION

The undersigned affiant, being duly sworn and deposed, says that (s)he is familiar with the above-captioned instrument in which there is recited a nominal consideration and that the true consideration is as follows: \$225,000.

Justine M. Davis
Affiant

SWORN TO before me this
6th day of December, 1991.

George L. Buehler (J.S.)
Notary Public for South Carolina
My Commission Expires: May 21, 2000

Vol D1062Mst825

5

VOL D1002PAC:8.36

and singular the Premises unto the Grantee and the Grantee's Heirs and Assigns, against the Grantor and against the Grantor's Heirs and Assigns and against every person whomsoever lawfully claiming, or to claim, the same or any part thereof.

The interest conveyed to the South Carolina Electric and Gas Company by this instrument is subject to the lien and provisions of the Mortgage Indenture dated January 1, 1945, and Supplements thereto, entered into by its corporate predecessor, South Carolina Power Company, and Central Hanover Bank and Trust Company (Now Manufacturers Hanover Trust Company), said Mortgage Indenture and Supplements being recorded in the Office of the Clerk of Court, or Office of the R.M.C., in the County and State aforesaid.

WITNESS the Hand and Seal of the Grantor this 6 day of December, in the year of our Lord one thousand nine hundred and ninety-one and in the two hundred sixteenth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENT OF:

Judith M. L.
Witness
H. D. Dancer
Witness

By: George G. Matthews, Sr.
George G. Matthews, Sr.

By: Katherine S. Matthews
Katherine S. Matthews

VOL D1002PAC:8.36

Vol D1082px837

STATE OF SOUTH CAROLINA }
COUNTY OF RICHLAND }

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within-named Grantor sign, seal, and as his/her act and deed, deliver the within-written Deed for the uses and purposes therein mentioned, and that s/he with the other witness whose signature appears above, witnessed the execution thereof.

H. Warner Denton
Witness

SWORN TO before me this 6th
day of December, 1991

Margie L. Bradley (L.S.)
Notary Public for South Carolina
My Commission Expires: May 23, 2000

Vol D1082px837

3

1946 1213FLORA ST

EXHIBIT "A"**PROPERTY DESCRIPTION**

All those certain pieces, parcels or tracts of land, together with improvements thereon, being known and designated as Lot Nos. 3, 4, 6, 7, 8, 9 and 10 as shown on the Plat prepared for South Carolina Electric & Gas Co., recorded in Plat Book 83 at page 7470 in the Office of the Register of Deeds Conveyances for Richland County, South Carolina; reference to which map is hereby made for a more particular description.

Derivation: Deed Book 430 at Page 956; Book 461 at Page 331; Book 491 at Page 137; Quitclaim Deed from The City of Columbia to the Grantor herein dated October 8, 1991 and recorded on the date hereof.

T.M.S. No.: 11301-4-3, 4, 6, 7, 8, 9 and 10

Vol D1062m3c8.8

State Certification/License

State of South Carolina BCD 1324869
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

GEORGE E. KNIGHT JR

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: **1531**

Expiration Date: 06/30/2022
OFFICE COPY


Laura L. Smith
Administrator

State of South Carolina BCD 1330762
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

JOSEPH B. WOODS

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: **983**

Expiration Date: 06/30/2022
OFFICE COPY


Laura L. Smith
Administrator

Qualifications of George E. Knight, Jr., MAI

Professional Designation

Member, Appraisal Institute, (MAI) Certificate No 12092

Education

Bachelor of Science Degree Business Administration, Real Estate and Finance,
University of South Carolina, May 1987

Appraisal EducationCore CoursesAppraisal Institute

Course 1A1, Real Estate Appraisal Principles, February 1991
Course SPP, Standards of Professional Practice, Parts A & B, September 1991
Course 1A2, Basic Valuation Procedures, May 1992
Course 1BA, Capitalization Theory and Techniques, Part A, May 1992
Course 1BB, Capitalization Theory and Techniques, Part B, November 1992
Course 320, General Applications, April 1994
Course 520, Highest & Best Use and Market Analysis, October 1998
Course 550, Advanced Applications, October 2000
Course 530, Advanced Sales Comparison and Cost Approaches, January 2002
Course 540, Report Writing and Valuation Analysis, June 2002
Course 810, Computer-Enhanced Cash Flow Modeling, November 2004
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets, March 2012
Business Practices and Ethics, December 2018
Uniform Standards for Federal Land Acquisitions: Practical Applications, November 2017
Course 400, 7-Hour Update USPAP, February 2020

Current SeminarsAppraisal Institute

Complex Litigation Appraisal Case Studies, April 2013
Right of Way – Three Case Studies with Two Approaches to Value, October, 2014
Special Use Properties: Hospitality and Senior Housing, January 2015
The Discounted Cash Flow Model: Concepts, Issues and Applications, January 2015
The Lender, Client and Appraiser – You're on the same Team!, July 2015
Technology Tips for Real Estate Appraisers, October 2015
Case Studies – Complex Valuation, January 2016
Statutory Changes to Property Tax Law and Effect on Market Value, July 2016
Hot Topics and Myths in Appraiser Liability, January 2017
Forest Valuation for Non-Foresters II, April 2017
State of South Carolina – Economic Summit, April 2018
Compliance, Completeness and Competency, July, 2018
Global Valuation – Values and Techniques, October, 2018
State of South Carolina – Economic Summit, January, 2019

Valuation Expo

The Modern Appraisal, October 2019
The Role of the Appraiser, October 2019

CLE International

Eminent Domain, The Nuts and Bolts of Public Takings, February-March, 2005

South Carolina Department of Transportation

Right of Way Symposium, December 2016

Professional AssociationsAppraisal Institute

Leadership Development Advisory Council (LDAC), March 2004, March 2005, May 2006
Leadership Development Advisory Council (LDAC), May 2007 Discussion Leader, April 2008 Vice Chair, April 2009 Chair
Appraisal Institute Education Trust, Committee Member, 2009, 2010, 2011
Appraisal Institute Government Relations, Committee Member, 2010, 2011
Appraisal Institute Region IX Chapter Services Representative, 2011-2012

Appraisal Institute - SC Chapter

Chairman, Associates Guidance Committee (2004-2005)
Co-Chairman, Government Relations Committee (2005-2006)
Chairman, Government Relations Committee (2007, 2008, 2009, 2010)
Chapter Secretary (2007), Chapter Treasurer (2008), 2nd Vice President (2009), Vice President (2010), President (2011), Immediate Past President (2012)

International Right of Way Association – North and South Carolina Chapter 31

Valuation Committee Chairman (2006 to 2017)

Greater Columbia Association of RealtorsOther Associations

Leadership Columbia, Class of 2005
Leadership Columbia Committee (2006, 2007, 2008)
Leadership Columbia Alumni Association Board (2006, 2007, 2008, President – 2009)
Columbia Rotary Club, (2002 to 2010)
Share Our Suzy (SOS), Board of Directors (2006 to present)

S C Real Estate Appraisers Board

Internal Review Committee, 2006- 2011
Board Member, 2012-2013
Board Chair, 2014 - Present

Professional Experience

Real Estate Broker for Bob Capes Realtors, June 1987 - June 1988
Research Assistant & Associate Appraiser for Jeffery Wyman & Associates, Inc., February 1991 - June 1995
Appraiser and Partner – Real Estate Appraisers and Consultants, LLC (REAC) Real Estate Appraisal Firm, July 1995 to Present
Broker in Charge and Owner – The Knight Company, LLC, Real Estate Brokerage Firm, 1995 to Present
Qualified as an expert witness in Circuit Court for South Carolina and North Carolina, Superior Court for Georgia

Licenses

South Carolina State Licensed Real Estate Broker
South Carolina State Certified General Real Estate Appraiser, Certificate No CG 1531
Georgia Certified General Real Property Appraiser No 214603
North Carolina State Certified General Real Estate Appraiser No A4485

Qualifications of Joseph B. Woods, SRA

Professional Associations

Designated Member of the Appraisal Institute, SRA
International Right of Way Association

US Appraisal Education - Core CoursesAppraisal Institute

Standards of Professional Practice, Part A (USPAP), 1996
Standards of Professional Practice, Part B, May 1997
Basic Income Capitalization, March 1998
Standards of Professional Practice, Course 430C, May 2001
Income Valuation of Small, Mixed-Use Properties, Course 600, September 2001
Supervisory Appraiser/Trainee Appraiser Course, 2015
7-Hour National USPAP Update Course, 2018

American Institute of Real Estate Appraisers

Residential Valuation, (Exam #8-2), 1985
Standards of Professional Practice (Exam #2-3/8-3), 1987
Real Estate Appraisal Principles (Exam #1A-1/8-1), 1988

Independent Providers

Introduction to Income Property Appraisal, October 2005
Advanced Income Capitalization Procedures, October 2005
Applied Income Property Valuation, October 2005

Current SeminarsAppraisal Institute

Appraising for the Department of the Interior, 2019
Fundamentals of Commercial Real Estate Finance for Appraisers, 2019
Experience Screening, 2019
State of South Carolina Economic Summit, 2019
Another View of the Tough One: Mixed Use Properties, 2018
Parking and Its Impact on Value in South Carolina Properties, 2017
Forest Valuation for Non-Foresters, Part II, 2017
Hot Topics and Myths in Appraiser Liability, 2017
Business Practices and Ethics, 2016
Contract and Effective Rent: Finding the Real Rent, 2016
Analyzing Tenant Credit Risk and Commercial Lease Analysis, 2016
Technology Tips for Real Estate Appraisers, 2015
Evaluating Commercial Construction Primer, 2015
Business Practices & Ethics, 2014
Marketability Studies: Six Step Process & Basic Applications, 2014
Marketability Studies: Advanced Considerations & Applications, 2013
Federal Agencies and Appraisal: Program Updates, 2012
Real Estate Finance, Value, and Investment Performance, 2012
Analyzing Tenant Credit Risk and Commercial Lease Analysis, 2012
Meet the Challenges of the Changing RE Appraisal Profession, 2011
Advanced Spreadsheet Modeling for Valuation Applications, 2011
Residential Appraisal Update: Staying Competent in a New Decade, 2011
The Appraiser and the Site to do Business: Location, Timing, 2010
Using Spreadsheet Programs in Real Estate Appraisals, 2010
Spotlight on USPAP: Agreement for Services-Instructions, 2010
A Lender's Perspective: The Role of the Appraisal, 2009

SCDOT

"Appraisal of Eminent Domain Acquisitions", September 2002

Professional AssociationsAppraisal Institute

Project Team, Appraisal Institute - Consulting/Other Experience, 2006
Leadership Development and Advisory Council, 2007
Leadership Development and Advisory Council, 2008
Leadership Development and Advisory Council, 2nd Alternate Discussion Leader, 2009
Leadership Development and Advisory Council, Discussion Leader, 2010
Leadership Development and Advisory Council, Vice Chair, 2011
Leadership Development and Advisory Council, Chair, 2012
Project Team, Appraisal Institute - Appraisal Independence, 2008
National Education Committee, 2013 - 2016
CEO Search Committee 2017 - 2018
National Experience Review Panel, Contract Screener (Current)

Appraisal Institute - SC Chapter

President (2013)
First Vice President (2012)
Second Vice President (2011)
Regional Representative (2011 & 2012)
Treasurer (2010)
Chapter Secretary (2009)
Service on BOD (Director) and various committees

Other Associations

National Real Estate Appraiser Advisory Committee, Subject Matter Expert - PSI, 2005
Leadership Columbia, Greater Columbia Chamber of Commerce, Class of 2006
Leadership Columbia Committee, Greater Columbia Chamber of Commerce (2007, 2008)

Professional Experience

Research Asst & Associate Appraiser for Jeffery Wyman and Associates, Inc from 1986 - 1991
Staff Appraiser for Thomas Watts and Associates, from 1991 - September 1994
Associate Appraiser for Jeffery Wyman and Associates, Inc from September 1994 - August 1997
Appraiser and Owner of a Real Estate Appraisal Firm, August 1997 - Present
Qualified as an expert witness in Circuit Court for South Carolina

Licenses

South Carolina State Certified General Real Estate Appraiser, Certificate No CG 983
South Carolina State Licensed Real Estate Agent